
**MICHIGAN
ECONOMIC
DEVELOPMENT
CORPORATION**

PURE *M*ICHIGAN®

**STATS, RANKINGS &
MESSAGING (SRM)**

March 31, 2016

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Updates

The purpose of “Stats, Rankings & Messaging” (SRM) report is to provide a document whereby a range of often-used facts, listings and messages can be found. Overall, SRM is intended to be a reliable source for information that can be used in communications, presentations, marketing and advertising content.

SRM is updated monthly. A PDF of the report is filed in **BOX/MEDC Stats, Rankings & Messaging**. For questions, please contact **Lauren Branneman** or **Frank Provenzano**.

This month’s report features the following NEW sections:

- Willow Run American Center for Mobility – p. 22
- Flint Water – p. 24

Updates to established sections, include:

- Jobs, Employment, and Wages – p. 8
- Investment – p. 10
- Research & Development, Design – p. 13
- Supply Chain Assets – p. 15
- Global Automotive Capital – p. 17
- Crowdfunding – p. 19

Upcoming ADDITIONS, include:

- Small Business in Michigan
- State’s economic profile, e.g. # of MI businesses, trends, etc.

Business Climate

- For three consecutive years, Michigan is ranked among the top seven states for major new and expanded facilities. Michigan ranks first among Great Lakes states.¹
- Workers' comp rates have dropped nearly 28% since 2011, pure premium rate is best in Midwest and second best in nation.²
- Job-killing Michigan Business Tax replaced by Corporate Income Tax.
- Nearly two-thirds of Michigan businesses surveyed describe the state as having a positive business climate and would promote Michigan as a place to start a business.³
- Michigan ranks in top ten in five categories including #1 Automotive Employment, #2 Education Tech Skills, #6 Top Manufacturing State, #7 Automotive Manufacturing State, and #8 Export Leader.³
- Detroit was ranked the 24th friendliest city to small business in America. Ann Arbor was rated 44th and Grand Rapids 49th.⁴
- Michigan was ranked a Top 10 Pro-Business State for 2015 by Pollina Corporate/AEDI. Michigan sits in spot number 10 which is 14 spots higher than their 2014 rank of 24.⁵

Messaging

- Competitive tax structure
- Growing economy
- Fiscal Stability and Regulatory Reinvention
- World-class talent

¹ Site Selection, May 2015.

² Workers Compensation Agency, Michigan.

³ Survey conducted by ForeSee, June 2015.

³ Business Facilities (magazine), August 2015.

⁴ Small Business Friendliness Survey by Thumbtack, September 2015.

⁵ Pollina Corporate/AEDI Pro-Business 50-State Rankings 2015, November 2015

Taxes

- Michigan's **corporate tax climate** ranking rose to 11th from 49th in the United States¹
- Reduced unemployment insurance – saving businesses annually \$143M²
- Michigan's elimination of personal property tax (PPT) is estimated to cut taxes for small businesses by \$372 million by 2020, resulting in up to \$474 million in additional business investment and 11,700 private-sector jobs by 2025.²
- Michigan ranks 13th among all states **for overall business tax climate** by the Tax Foundation. (In 2014, the Tax Foundation awarded Gov. Rick Snyder with Outstanding Achievement in State Tax Reform.³)

Messaging

- Friendly corporate climate and improving dramatically
- Continually finding ways to reduce and/or maintain low taxes.
- Understanding of what businesses need to succeed and profit

¹ Tax Foundation, 2016 State Business Tax Climate Index (for FY2015), 2015

² Michigan Department of Treasury, June 2012

² Anderson Economic Group, "Analysis of 2014 Proposal 1: Personal Property Tax Reform and the Michigan Economy," July 2014.

³ Tax Foundation, 2016 State Business Tax Climate Index (for FY2015), 2015

Regulatory Reinvention

- Eliminated 2,127 outdated, unnecessary, and burdensome regulations¹
 - o 642 rules from Michigan Department of Licensing and Regulatory Affairs
 - o 289 rules from Michigan Department of Environmental Quality
 - o 93 rules from Michigan Department of Natural Resources
- Improved customer response throughout Department of Licensing and Regulatory Affairs¹
 - o Improved customer response timeliness by cutting processing times by 77%
 - o 62% of licensing forms eliminated

Messaging

- Customer service is the highest priority.
- Approach based on customer satisfaction, efficiency and value.
- Continually evaluating regulatory environment with aim to maintain necessary regulations, and eliminate burdensome regulations to business and competitive environment.

¹ Michigan Department of Licensing and Regulatory Affairs

Comparative Measure

- #5 most private job creation¹
- Michigan is the most improved state of 2014 for facing challenges of 21st-century competition for jobs and business investment.²
- Michigan's GDP growth outpaced the nation from 2009 through 2014, with growth of 13.4% compared to 9.4%.³
- Michigan ranks second as most attractive state for aerospace manufacturing and R&D facilities based on operating costs, taxes, industry size, talent, and education attainment.⁴
- Michigan biggest success story since the Recession.⁵

Messaging

- Michigan's economy is on the rise.
- The state is among the most competitive U.S. states in terms of overall economic health, job creation and facing 21st-century challenges.
- Economic policy has create dynamic environment that fosters entrepreneurship and R&D, drawing on its heritage of "can-do" spirit and innovation.

¹ Bureau of Labor Statistics, Current Employment Statistics, seasonally adjusted employment (Dec 2010 – Jun 2015 prelim. estimates)

² American Economic Development Institute, July 2014.

³ Bureau of Economic Analysis, national and regional accounts, real GDP in chained dollars, 2014, adjusted.

⁴ PricewaterhouseCoopers, "2015 Aerospace Manufacturing Attractiveness Rankings."

⁵ The Pew Charitable Trusts, May 2015.

Jobs, Employment, and Wages

- Unemployment reduced by more than half since Jan. 2010¹
- February's unemployment rate of 4.8% is lower than the nation. (NOTE: Unemployment was at 14.9% June 2009.)²
- Nearly 450,000 private-sector jobs have been added since December 2010.³
- Michigan leads the nation with over 140,000 new automotive manufacturing jobs since 2009.⁴ (Auto industry accounts for over 40% of manufacturing job growth.) Among U.S. counties, Wayne County leads nation in new manufacturing jobs.⁵
- Michigan increased manufacturing employment for four consecutive years.⁶
- Michigan ranks first in U.S. in concentration of industrial designers and engineers.⁷
- \$50M for college skilled-trades equipment is largest investment by any state.⁸
- Detroit ranks 3rd in U.S. as "hotbed" for tech jobs based on percentage of jobs considered tech.⁹
- 200,000 members of skilled-trades workforce.¹⁰

¹ Michigan Labor Market Information and Strategic Initiatives, LAUS, June 2015.

² Ibid.

³ Bureau of Labor Statistics, Current Employment Statistics, seasonally adjusted employment (Dec 2010 – Jun 2015 prelim. estimates).

⁴ CAR, employment statistics, BLS, November 2015.

⁵ Headlight Data, July 2015.

⁶ Michigan Manufacturers Directory, 2015.

⁷ Bureau of Labor Statistics, Occupational Employment Statistics, May 2014.

⁸ Michigan Economic Development Corporation, 2015.

⁹ Oregon Office of Economic Analysis, June, 2015.

¹⁰ Bureau of Labor Statistics, Occupational Employment Statistics, May 2014.

Messaging

- Dramatic increase in jobs.
- Leading nation in manufacturing jobs.
- Nation-leading approach to training skilled-trades labor.

Investment

- Since 2010, global companies have invested \$8.4B in capital projects across the state, creating over 35,000 new jobs.¹
- \$12B invested in commercial, industrial and residential properties in Detroit since 2006.²
- Michigan-based venture capital firms have \$1.7 billion in capital under management, an increase of 45 percent in the last 5 years.³

Messaging

- Global companies are affirming Michigan's dynamic economy by investing heavily into the state.
- Capital investment is transforming Michigan's businesses and creating jobs and more and more opportunities.

¹ FDImarkets.com, March 2016.

² Detroit Regional Chamber

³ Michigan Venture Association, April 2015.

Workforce

- Michigan: The 24th right-to-work state
 - o Increased interest among site selectors
 - o RTW states more resilient in the face of economic distress¹
 - o Contributed to state's inclusion in the inaugural Top 10 "Champions of Innovation" based on 2014 pro-innovation policies and milestones²
- Workers Compensation Improvements
 - o \$327M in premium savings to Michigan businesses³
 - Worker's compensation rates have dropped 28%
 - Pure premium has decreased 28% from 2011-2015 while national average went up 11.3%
 - Cost per claim best in the region and one of the lowest in the nation
- Michigan ranks as the sixth best state to make a living.⁴

Messaging

- With the changes over the past four years, Michigan is an attractive place for employers.

¹ MacArthur Foundation Source: MacArthur Foundation

² Consumers Electronic Association

³ The Michigan Department of Licensing and Regulatory Affairs

⁴ MoneyRates.com, June 2015.

Government Performance

A Fiscally Responsible Government

- #2 most improved credit ratings in the nation¹
- State government finances are now on sound footing; \$1.5B structural deficit eliminated²
- Reforms reduced health care pension liabilities by \$20B²
- From 2010-2016, the state's rainy day fund grew from \$2M to \$611M²
- Michigan ranks first in Index of State Budget Process Quality based on evaluation from National Governors Association and National Conference of State Legislatures. ²

Messaging

- Michigan has a fiscally responsible government.
- Gov. Snyder's leadership has placed sound accounting and long-term fiscal principles above partisan politics.

¹ Bloomberg Terminal Data and Analysis

² Michigan Department of Technology, Management and Budget

² Federal Funds Information for States, State Budget Process Quality Index, May 2015.

Research & Development, Design

- #1 in automotive R&D; more than 75% of nationwide automotive R&D spending is from Michigan's 370 R&D centers.¹
- \$2.1 billion in R&D expenditures collectively at Michigan State University, University of Michigan, Wayne State University in 2013; up 51% since 2007.²
- Michigan employs nearly 5,000 industrial designers, second most in the nation after California; our concentration of these jobs is nearly four (4) times that of the nation.³

Messaging

- Michigan is a leader in research, design and development.
- Michigan is the undisputed global leader in automotive R&D.

¹ Center for Automotive Research

² Anderson Economic Group – 8th Annual Economic Impact & Benchmark Report

³ Bureau of Labor Statistics, Occupational Employment Statistics, May 2015.

Talent

- #8 in skilled trade workforce; 200,000 total statewide¹

(NOTE: Prior rank of #1 was not able to be verified. The ranking above (#8) is based on an evaluation of BLS & MILMI sources.)

- Innovative industry-driven approach to apprenticeships and education
- Funding to support training for in-demand jobs
- Largest investment in country in 2015; \$50M for community college skilled trades equipment

Messaging

- Michigan has a talented, diverse and abundant workforce.
- Michigan provides training for in-demand jobs, including largest investment in country for skills-trade education.

¹ Bureau of Labor Statistics, Occupational Employment Statistics, May 2014. Michigan LMI defines “Skilled Trades” in their publication “Employment and Occupations in the Skilled Trades in Michigan,” June 2013. See “Glossary & Definitions on p. 28.

Supply Chain Assets

- Within 500 miles of almost half of the U.S. and Canadian markets
- Detroit Metro is one of the largest U.S. air hubs to Asia
- Four Class 1 rails efficiently connecting Michigan to the North American Rail Network
- Access to 15 major international shipping ports via rail and Great Lakes ports
- New international bridge crossing between Detroit and Windsor, Canada
- Connecting businesses and supply chain with innovative procurement programs
- Michigan crossings handled 33.7% of U.S./Canadian trade in 2014¹
- Michigan State University ranks as the number 1 university in the world for Supply Chain Management talent²

Messaging

- Michigan is the place to be for any business trading with Canada.
- Michigan has a comprehensive “Logistics Supply Chain Strategy” that fosters collaboration between public and private sectors, drawing on the logistics know-how and expertise from the state’s leading researchers at Michigan State University and University of Michigan, which have top rate supply chain management programs.

¹ U.S. Department of Transportation, Bureau of Transportation Statistics

² SCM Talent Group, February 22, 2016; [SCM World University Top 100](#)

Global Automotive Capital

Leader in Automotive Industry and Advanced Manufacturing

- Home to 23 assembly plants¹
- Home to 63 of the top 100 North American auto suppliers² (NOTE: 81 of the top global auto suppliers have North American headquarters or Tech Centers in Michigan.³)
- #1 in new manufacturing jobs since 2009, with growth of over 175,000 through December 2015.⁴
- #1 nationally in concentration of electric, mechanical, & industrial engineers; 80,000 total statewide.⁵
- Michigan's 370 R&D centers represent more than 75% of U.S. automotive R&D spending.⁶
- Automakers and auto suppliers have announced investments of \$16B in the state from 2009 through second quarter 2015, representing nearly 20% of the investments announced for North America.⁷
- Michigan's automotive manufacturing employment represents nearly 5.0% of Michigan's workforce and 23% of U.S. automotive industry workforce.⁸
- Michigan is the largest producer of vehicles in the United States—at 19% of total production—and second largest in North America with 13.5%.⁹

¹ Center for Automotive Research, July 2015.

² Ibid.

³ Center for Automotive Research March 2016; Bureau of Labor Statistics, 2015.

⁴ Center for Automotive Research, December 2015.

⁵ Bureau of Labor Statistics, Occupational Employment Statistics, May 2015. Includes engineering technicians.

⁶ Center for Automotive Research March 2016; Bureau of Labor Statistics, 2015.

⁷ Ibid.

⁸ Ibid.

⁹ Center for Automotive Research March 2016; Automotive News, December 2015.

Messaging

- Michigan is the capital of the global automotive industry.
- Automotive manufacturers, suppliers, R&D facilities and ancillary services are located in close proximity generating an atmosphere of collaboration and heightened productivity.
- Michigan is synonymous with the automobile and automotive industry. It's our heritage, it's our dominant economy and it's our way of life.

Digital Media Cluster

- Michigan employs over 130,000 people employed in jobs that develop, advance, or heavily focus on digital media. Over 56% of these occupations are concentrated in Oakland, Wayne, and Kent counties.
- Michigan employs well over 250,000 people (in 2014) across industries that have a high concentration of digital-media related occupations.
- Michigan ranks 11th in the U.S. in terms of employment in digital-media intense industries. Michigan ranks second among the Midwest states (MI, IL, IN, OH, WI).
- Over the next five years (through 2019) Michigan is expected to see employment growth of 10.5% across these industries. This is on par with the U.S. growth of 11.1%.
- The average earnings for those employed in digital-media related industries in Michigan is nearly \$89K.
- Oakland County ranks second (after Cook County, IL) across all Midwest counties in terms of employment across these industries (Midwest states: MI, IL, IN, OH, WI). Wayne County ranks fourth (after DuPage County, IL).¹

¹ MEDC research (September 2015); EMSI, Inc., 2014. See “Glossary & Definitions” on p. 28.

Crowdfunding Partnership

(MEDC Public Spaces Community Places Crowdfunding Partnership)

- \$1,926,652 raised from 7,156 donors through MEDC's PSCP crowdfunding partnership
- \$1,595,500 in MEDC matching grants through MEDC's PSCP crowdfunding partnership
- 44 crowdfunding campaigns completed as of 10-27-15 -- Adrian, Alpena, Bloomingdale, Calumet, Charlotte, Coldwater, Detroit (12), East Lansing, Eaton Rapids, Flint(2), Grand Rapids (2), Hamtramck, Imlay City, Ironwood, Kalamazoo, Lansing (3), Lincoln Park, Marquette, Milan, Petoskey(2), Pontiac, Portland, Royal Oak (2), Saline, Sparta, St. John's, St. Clair, Tecumseh, Three Oaks, Traverse City, Vicksburg(2), Ypsilanti (3)
- 4 crowdfunding campaigns are underway as of 3-29-2016 – Lansing, Detroit, Boyne City and Mt. Pleasant

Messaging

- Innovative tool for communities, nonprofits, businesses to fill funding gaps for public-use community development projects.
- One of the first programs of its kind in the country where local residents can be part of the development of transformational projects in their communities and be backed by the MEDC, dollar for dollar, up to \$150,000.
- An easy way for community projects to gain public interest and raise money by being able to leverage donations of all sizes.
- Allows people to put their time and money into their own communities, improving their own quality of life and instilling a sense of community pride in a project they helped to support.

Travel & Tourism

- Michigan hosted 113.4M visitors in 2014 (in- and out-of-state travelers) who generated \$22.8B in direct spending and supported 214,333 direct jobs.¹
- The travel economy's total impact on Michigan (direct, indirect, and induced) includes:²
 - o \$37.8B in total business sales;
 - o 326,685 Michigan jobs;
 - o \$10.6B in labor income;
 - o \$17.1B in GDP; and
 - o \$4.9B in federal, state, and local taxes.
- The Pure Michigan Campaign is undoubtedly one of the most (if not the most) successful campaigns in Michigan's history. Consider that in 2014 the campaign inspired and stimulated:³
 - o 4.1M trips to Michigan (double that of 2010);
 - o \$1.2M in new visitor spending (a 50% increase from 2010);
 - o Statewide taxes of \$85.4M (compared to \$42.4M in 2010);
 - o A \$6.87 return to the state's economy for each advertising dollar invested; and
 - o A cumulative (2006-2014) ROI of \$4.81.

¹ Tourism Economics, "The Economic Impact of Travel in Michigan," 2014; p. 3. Estimates, which are for 2014, use sources D.K. Shifflet and the National Travel and Tourism Office (NTTO) spending accounts.

² Tourism Economics, "The Economic Impact of Travel in Michigan," 2014.

³ Longwoods International, "Michigan 2014 Tourism Advertising Evaluation and Image Study," March 2015; p. 60. Note that Longwoods' assessment of travel here includes only out-of-state visitors.

Trade

- Michigan ranks 7th in the nation for total export dollars at nearly \$53.2 billion (2015), and 3rd for exports to the U.S.'s 20 Free Trade Agreement (FTAA) partners, at \$36.4 billion.¹
- Michigan received SBA's #1 award in the U.S. with \$750,000 in federal dollars to assist companies with exporting.²
- The MEDC has facilitated Michigan export sales of \$855 million since 2012.³
- The MEDC International Trade Program has helped companies create and sustain 4,275 Michigan jobs since 2012.⁴
- The MEDC International Trade Program assisted companies with exporting to 126 countries in FY15.⁵
- Exported goods from Michigan in 2014 helped to support 270,927 U.S. jobs.⁶
- A total of 14,843 companies exported from Michigan locations in 2013.⁷
- 95% of the world's consumers are located outside of the U.S., highlighting the importance of opening foreign markets to Michigan goods and services, and level of opportunity for exports.⁸

¹ International Trade Administration, TradeStatsExpress, 2015 (released February 5, 2016).

² Small Business Administration (SBA), 2015; <https://www.sba.gov/offices/headquarters/oit/resources/14315>.

³ MEDC's International Trade Program, updated quarterly.

⁴ MEDC's International Trade Program, updated quarterly. The MEDC uses the assumption that \$200,000 in export sales is roughly equivalent to one job.

⁵ MEDC's International Trade Program, 2016.

⁶ International Trade Administration, 2014; <http://www.trade.gov/mas/ian/statereports/states/mi.pdf>.

⁷ Ibid.

⁸ International Trade Administration & U.S. Chamber of Commerce; <https://www.uschamber.com/ad/95-worlds-consumers-live-outside-united-states>.

Willow Run American Center for Mobility

Messaging

Overview:

- Willow Run will serve as a national center for connected and automated vehicle (CAV) research, testing, product development, validation and certification facility. It will be used by government, industry and academia.
- The facility will be guided and governed by industry partners and stakeholders.
- Funding sources are anticipated to include federal, state and private funds.

Why is this needed?

- Connected and automated vehicle technology, including connected infrastructure, will revolutionize the transportation of people and goods in the next 5-10 years.
- America has the unique opportunity to cement global leadership by leveraging the location with the greatest concentration of automotive assets in the world – Michigan. Numerous countries (Sweden, Korea, China, Japan) are investing in this emerging technology sector, but no country has established a firm leadership position.
- On Jan. 15, the federal government announced a plan to earmark \$4 billion in the 2017 budget for automated vehicle research and development; and autonomous pilot programs will be launched all over the country.
- Significant technical and policy challenges remain to be solved, including methods for safe testing, validation and verification, cyber security and the interface with intelligent transportation systems.
- A combination of simulation, track testing, and on-road testing will be required to validate these systems sufficiently for safe, efficient and effective deployment.
- Collaboration of government, industry and academia will be required to address these challenges and develop real-world products and common standards.

Why Michigan?

- Michigan has led the auto industry since its inception and will continue as a leader into the CAV space.
- With the largest concentration of engineers in the nation, Michigan is best positioned to catalyze this work.

- Michigan is already home to CAV technology testing facilities, including Mcity in Ann Arbor, which is the most comprehensive CAV research and testing facility in America.
- Michigan is the dominant location in the United States for conducting automotive research with over 375 R&D centers.
- Michigan has all the entities required in one geographic cluster to advance automotive transportation – R&D, talent, skilled innovators, leading universities and the entrepreneurial ecosystem for tech start-ups to succeed.
- Michigan already has 150+ miles of MDOT connected vehicles and infrastructure.
- Michigan already has the expertise and activity on vehicle automation, cybersecurity, military vehicles and product development and verification.

Why Willow Run?

- Willow Run is a prime location for government and industry to develop these programs and validate the technologies.
- It is located in close proximity to the U.S. “Big Three” automakers: GM, Ford and Fiat-Chrysler, and several global auto research centers and automotive suppliers.
- The facility’s location in the upper-Midwest provides opportunities for a variety of weather testing.
- The campus is anticipated to offer diverse driving areas such as a high-speed loop, off-road, urban, rural, residential and commercial environments.
- The Willow Run site originally manufactured B-24 bomber planes during WWII; the concrete floor and parking lot remain, serving as an ideal canvas for a mobility validation center.

Flint Water

Aid for Flint

- To date, the state has allocated nearly \$70 million in immediate emergency funding to help the city of Flint.
 - o \$9.3 million to help Flint families and switch back to the Detroit water system (October 15).¹
 - o \$28 million to provide additional support and safe water resources for Flint (January 29).
 - o \$2 million in water infrastructure replacement funding (February 18).²
 - o \$30 million to provide water bill relief for Flint residents (February 26).³
- If approved, the Governor's FY 2017 budget includes an additional \$195 million to support Flint's short and long-term recovery.
- The U.S. Department of Labor has granted a National Dislocated Worker Grant for up to \$15 million to the Michigan Strategic Fund to assist with humanitarian and recovery efforts resulting from the contaminated water crisis in Flint.⁴

Messaging

General points:

- There are people in the state of Michigan that can't drink their water, and that is unacceptable to all of us.
- Gov. Snyder has taken responsibility, taken emergency response measures and is committed to dedicate all the resources needed to make this right for the people of Flint.
- The top priority for Gov. Snyder and his administration is ensuring every Flint resident has access to clean, safe drinking water.

¹ www.michigan.gov/flintwater, [Gov. Rick Snyder signs bill authorizing funding for Flint to move back to Detroit water system](#), October 15, 2015.

² www.michigan.gov/flintwater, [Gov. Snyder: Flint to receive additional \\$2 million in water infrastructure replacement funding](#), February 18, 2016.

³ www.michigan.gov/flintwater, [Gov. Rick Snyder: Approval of \\$30 million plan will support water bills for Flint residents, help with short-term recovery](#), February 23, 2016.

⁴ <https://blog.dol.gov/2016/03/24/turning-obstacles-into-opportunities-help-for-flint/>, March 24, 2016.

- We are committed to providing affected children and families access to medical and educational resources to ensure long-term care and treatment.
- The Flint water crisis has been a systemic failure of government at all levels: the city of Flint, the state of Michigan, the state's employees and the U.S. Environmental Protection Agency (EPA).
- The Governor has held himself and government accountable.
- Actions have been taken to ensure a new and capable team is overseeing Flint water and creating a culture in state government focused on the health and safety of Michigan residents.
- Governor Snyder and his administration are committed to working in partnership with Flint Mayor Karen Weaver, independent experts, and the federal government to ensure both short-term and long-term solutions for the city.

Pipe replacement:

- Work has begun in Flint to locate and replace high-risk, high-priority lead service lines.
- Immediately removing pipes could potentially add to the infrastructure problem and result in higher costs for the city.
- We want to move as quickly as possible with pipe replacement, however, this project must be done responsibly and high-risk lead pipes must first be properly identified.
- While working to identify high-risk, high-priority replacement areas, pipes are being recoated with phosphate. This is a necessary first step toward ensuring safe drinking water for Flint residents.
 - o Virginia Tech researcher and expert on municipal water quality, Marc Edwards has said the state is taking the correct actions to make Flint's water safe again.

Economic Development and Community Development Support

- MEDC, TED and its partners are working with the administration to help create all least 1,000 jobs in the city of Flint this year. To date, more than 350 jobs have been committed, from a variety of projects such as:
 - o Water distribution efforts
 - o Adding nurses in Flint schools
 - o Community Ventures contracts
- MEDC is continuing to work with companies looking to make investments in the city. More announcements about job creation and investment should be coming soon.
- In addition, community development efforts to help improve downtown Flint and Genesee County:

- Capitol Theatre – Through a Michigan Community Revitalization Program investment, MEDC is helping local partners restore the Capitol Theatre in downtown Flint to its former glory, including a 1,800-seat community theatre and more than 21,000 square feet of office space. The project is expected to create more than 82 full-time jobs, and draw between 60,000 and 80,000 patrons per year, bringing significant foot traffic and economic activity to the downtown area.
- Since 2013, the Michigan Council for Arts and Cultural Affairs within MEDC has given nearly \$450,000 in grants to various Flint organizations, such as the Flint Institute of Arts, Flint Jewish Federation, Friends of Modern Art and the Whaley Historical House Association.
- Other ways that MEDC and partners are helping with economic development efforts include:
 - PMBC Flint – using a proven model that brings together businesses with suppliers in a “supply meets demand” online arena, MEDC has created a specific web-based portal to help businesses around the state and country connect with Flint-based companies. “Pure Michigan Business Connect” portal is available as a link from the Flint & Genesee Chamber of Commerce website: <http://b2b.flintandgenesee.org/>
 - Pure Michigan Micro Lending – Together with the Detroit Pistons, Huntington Bank, FlintNOW, the Flint & Genesee Chamber of Commerce, and the Mott Foundation, \$25 million for programs to support homeowners, businesses, entrepreneurs and residents will be available. (\$20 million for make specialized SBA working capital loans available to businesses, \$2 million to fund microlending to small businesses, \$2 million to make specialized mortgage financing available for home renovations associated with the water crisis; and \$1 million commitment to provide grants to small businesses that have been hurt by the water crisis.)
 - MEDC will provide \$99,800 of a \$200,000 term loan initiated by Metro Community Development to Flint-based Comprehensive Coatings to make building improvements and hire up to 20 new employees. The company is expected to hire as many 100 full-time employees within two years of the closing of the loan.
 - Travel Michigan is working with the Flint and Genesee County CVB to help promote appropriate tourism opportunities in the region, with an eye on the 2017 travel season as an opportunity to increase promotional efforts.

Detroit's Economic Revival

DETROIT PROJECTS supported by MEDC

With last November's conclusion of Detroit's bankruptcy – the largest municipal restructuring of debt in U.S. history – the city is becoming highly attractive to investors around the world. The economic and physical landscape of Detroit is being transformed. Few other times in recent history have the prospects for the city looked so promising.

The following is a sampling of the projects supported by MEDC in the ongoing economic revival of Detroit:

Expanding entertainment district: A key part of the Events Center Project is the Michigan Strategic Fund's authorization of a \$450 million issuance of private activity bonds to finance construction of the new entertainment and commercial district in Detroit. The Events Center Project will be owned by the City of Detroit Downtown Development Authority and operated by Olympic Development of Michigan Events Center, LLC.

The multi-purpose venue will be the new home for the Detroit Red Wings on Woodward Avenue, approximately four blocks north of the Fox Theatre and Comerica Park. The district surrounding the proposed 18,000-seat, 650,000 square-foot ice arena is expected to generate another \$200 million of investment in new bars, restaurants, housing and a potential hotel.

Total construction and construction-related jobs created by the project are estimated at 8,300. Approximately 1,100 permanent jobs will be created once the Events Center opens in fall 2017.

Attracting residents: Key to Detroit's revival is the availability of affordable, attractive housing. Two residential developments, the \$61 million Orleans Landing and the \$38.5 million Du Charme Place, will create 463 low-rise units in what has been a downtrodden area along the Detroit riverfront.

The City of Detroit Brownfield Redevelopment Authority will use local and school tax capture in the amount of \$4,759,351 for the redevelopment of Du Charme Place, located on East Lafayette Street in the **City of Detroit**. In addition, the MSF approved \$5.7 million in Michigan Community Revitalization Program performance-based equity support for the project.

Meanwhile, the City of Detroit Brownfield Redevelopment Authority received approval of local and school tax capture in the amount of \$6,495,862 for the redevelopment of Orleans Landing project located at Franklin and Orleans streets in **Detroit**. The MSF also approved \$7.61 million in Michigan Community Revitalization Program performance-based equity support for the project and re-authorized a Brownfield Michigan Business Tax Credit in the amount of \$6,983,874.

The Michigan Community Revitalization Program approved a \$3.5 million equity contribution, labeled a performance-based incentive, to Strathmore Apartments Limited Dividend Housing Association LLC to

redevelop the derelict Strathmore Hotel at 70 W. Alexandrine in Midtown. The University Cultural Center Association, a subsidiary of Midtown Detroit Inc., is a co-applicant on the grant.

The \$28.4 million investment, which includes converting the eight-story hotel into 129 one- and two-bedroom apartments, is expected to create three full-time jobs and one part-time job.

Attracting visitors/tourists: 23 hotels comprising 2,160 rooms are in the development pipeline in Detroit, including the 100-room independent boutique hotel in the former Detroit Fire Department headquarters. New hotel projects include a \$1 million grant to support the redevelopment of the **Milner Hotel** (near Comerica Park), and a grant to **Ashley Owner LLC** to complete the \$8.2 million redevelopment of the Milner, transforming the property once owned by the Ilitch family into 61 one- and two-bedroom apartments. The project is expected to create 10 full-time and 30-part time jobs, according to the MEDC.

Mass transit advances: Michigan Strategic Fund provided funds for the construction of the M-1 rail, a 3.3-mile passenger rail system along Woodward Avenue. Eleven stops along the transit line will connect bus routes, Detroit People Mover and Amtrak along key business/university/cultural/shopping districts, offering efficient transport through the core of downtown.

The project is expected to generate a total capital investment of \$130 to \$140 million and create up to 41 new permanent jobs. As a result, the project has been awarded a \$10 million Michigan Business Development Program performance-based loan.

Historic renovation: Since the mid-December reopening of the city's historic David Whitney Building, residents, shoppers and tourists have been attracted to the \$82-million renovation, which includes a boutique hotel, restaurants, bars, retail and apartments. The renovation project received a \$1 million grant from the MEDC's Community Revitalization Program, and a \$7.5 million performance-based loan.

Cultivating culture: MEDC selected Midtown Detroit Inc.'s Green Alley Project on Selden & Second as the Public Spaces Community Places pilot project. Midtown Detroit is working with Patronicity to raise \$50,000 through crowdfunding to transform the 415-foot-long alley bound by Second Ave., Selden, the Third Ave. Alley, and Alexandrine. Alley enhancements will include a new design to promote walkability and community connectivity and green infrastructure upgrades to reduce the storm water burden on the city's combined sewer system.

The total cost of the project is \$200,000. Detroit-based Shinola has contributed a \$100,000 grant. When the project met its crowdfunding goal, MEDC provided a matching grant of \$50,000. (NOTE: www.patronicity.com/project/greenalley)

Quality of Life

- Detroit was rated by Forbes as the number 1 city in America where your paycheck will go the furthest. The median home value in Detroit is \$114,000. The median salary is \$45,000.¹
- Nationwide, Grand Rapids ranks 6th in its percentage of millennials comprising the housing market.²
The Flint Farmers Market was named one of the top six greatest public spaces in America by the American Planning Association³

¹ Forbes, September 2015; [“The 25 Cities Where Your Paycheck Will Go The Furthest”](#)

² Bloomberg Business, September 2015; [“The Cities Where Millennials Are Taking Over the Housing Market”](#)

³ American Planning Association, September 2015; [“Flint Farmers Market named to ‘Great Places in America’ list”](#)

TOP PROJECTS (ANNOUNCED) IN 2015

NOTE: These are the top projects announced this year, not necessarily deals MEDC did this year. The GM investments are the result of MEGAs and amendments from prior years.

➤ **GM to invest \$877 million to overhaul Flint MI truck plant (August 4)**

General Motors will spend \$877 million to overhaul its pickup truck factory in Flint, capping a series of investments to keep production of profitable large pickups and sport utility vehicles rolling through a significant model change expected in 2018.

The Flint investment is part of a plan to expand three U.S. truck plants to install new assembly lines, body welding shops and paint operations for future generations of Silverado pickups and SUVs such as the Chevrolet Tahoe and Cadillac Escalade, while still running the operations that build current models. (Source: Reuters)

➤ **Clemens breaks ground on new \$255 million pork processing plant in Coldwater (July 23)**

Clemens Food Group pork processing operation in Coldwater Township is expected to generate \$255.7 million in total capital investment and bring 810 new jobs to Michigan, including 644 supported by CDBG funding.

In Dec., 2014, MSF approved \$12.5 million in Community Development Block Grant funds for the City of Coldwater for infrastructure improvements, land acquisition, workforce development and on-the-job training for the new development.

➤ **GM Plans to invest \$245 million in new vehicle program for Orion Assembly plant, add 300 jobs (June 22)**

➤ **Ford MEGA revision requires \$3.1 billion in new investment in Michigan over next ten years. (June 8)**

MSF approved a revised agreement with Ford Motor Company that caps the state's liability for previously authorized job retention tax credits and provides incentives for Ford to double its investment in Michigan in the future. The MSF resolution combines two previous MEGA agreements with the company and limits its potential tax credit claims to 40,200 retained jobs through the end of 2025.

To receive the maximum credits, the agreement would require Ford to invest an additional \$3.1 billion for a total of \$6.2 billion since 2009. The company is also required to maintain a minimum of 17,400 full-time jobs, at least 8,900 of which must be salaried positions. As part of the agreement, the state's obligations are capped and the company will provide periodic forecasts of its estimated tax credits to the state to assist the MSF and state of Michigan in budget planning. (Source: Reuters)

➤ **GM to invest \$119 million, create 300 jobs for components production in Michigan (June 1)**

General Motors Co plans to invest \$119 million in tools and equipment to support production of future vehicle components in western Michigan. Plans for GM's Grand Rapids Operations in Wyoming (GR suburb) will create about 300 jobs.

The plant currently has about 500 employees and produces a variety of precision-machined automotive engine components used in Chevrolet, Buick, GMC and Cadillac vehicles. Detroit-based GM says details on the plans are expected to be released later.

➤ **GM to invest \$1 Billion in renovating Michigan Tech Center (May 14)**

General Motors Co said it will invest \$1 billion to expand and renovate its sprawling 60-year-old technical center in Warren, Michigan. The investment is expected to create about 2,600 jobs in core areas, including product engineering, information technology and design.

The Technical Center campus currently has more than 19,000 employees and has been the nerve center of GM's engineering efforts since it was inaugurated in 1956.

➤ **Sakthi Automotive invests in Detroit (April 29)**

Sakthi Automotive, Indian auto parts supplier, to expand and rehab former Detroit Northwestern High School, investing \$31.8 million, create 350 jobs. Sakthi Automotive Group USA, Inc. is a division of the Sakthi Group, one of the fastest growing business groups in South India. The company is a major supplier to automotive OEMs of safety critical automotive components including steering knuckles, control arms, brake drums, brake discs, hubs, brake calipers and carriers.

In 2012 Sakthi Automotive received a \$1.5 million Michigan Business Development Program grant to establish its first North American manufacturing operation in the **city of Detroit**. The

company now plans to expand into the production of lightweight aluminum castings that will support the fuel efficiency initiatives of global auto OEMs.

The expansion is expected to include the acquisition and renovation of several buildings near the company's existing facility that will be used for manufacturing, machining, advanced worker training and employee wellness programs.

The project is expected to generate a total capital investment of more than \$31.8 million and create 350 jobs, resulting in a \$3.5 million MBDP performance-based grant. Michigan was chosen over competing sites in Georgia, Ohio and South Carolina.

MEDC and the city of Detroit will also recommend the approval of an MSF-designated Renaissance Zone for the expansion at a later date. The city has also offered support to the project in the form of proposed property tax abatement.

To watch a video on the Sakthi project, visit: <https://youtu.be/mV7LqAX1Z1o>.

➤ **Marquette hospital expansions to generate \$190.4 million in new investments, create 169 jobs and retain 2,300. (Feb. 24)**

MSF approved \$55,763,061 in local and school tax capture for the City of Marquette Brownfield Redevelopment Authority to redevelop approximately 37 acres of property in the City of Marquette. The project will consist of demolition of existing structures on the site and construction of the new regional acute-care DLP Marquette General Hospital, an affiliate of Duke LifePoint HealthCare.

The completed project will also include medical office buildings and a parking deck. The project will generate a minimum total capital investment of \$170 million and create 150 new jobs as well as retain 2,300 jobs.

In addition, MSF approved a \$4.1 million Michigan Community Revitalization Program loan support for Liberty Way Hospitality, LLC to continue the redevelopment of a brownfield site in the City of Marquette. Formerly a blighted industrial baking facility, the site is being redeveloped in three phases. Upon completion, the project will consist of three building including office, residential, restaurant and hotel space. The project being approved today will consist of the construction of the second building, an extended stay hotel, residential facility and two-level underground parking facility.

The project will generate a total capital investment of nearly \$20.4 million and create 19 jobs. The City of Marquette has provided support to the project through brownfield tax increment financing totaling \$7,501,029.

- **Toyota two new Michigan investments approved for state incentives; \$107.6 in new investments will create 335 jobs (Jan. 27)**

In August 2014, Toyota announced plans to relocate its direct procurement operations from Erlanger, Kentucky to York Charter Township (Washtenaw County) as part of an increased investment in engineering capabilities. The expansion required the company to construct a new facility at its York Township location, investing up to \$32.5 million and creating 250 jobs. As a result, Toyota was awarded a \$4 million Michigan Business Development Program performance-based grant.

Toyota is also proposing to expand its Ann Arbor Charter Township facility, investing \$75.15 million and creating 85 jobs. As a result, the company's MBDP grant has been increased by \$1 million.

Glossary & Explanations

As a work in progress, this section is intended to provide technical insight for the statistics in the SRM report. Corporate Research will build upon this section in the coming releases. Afterward, updates will be made as necessary.

Digital Media

Digital media is audio, video, and photo content that has been encoded (digitally compressed). The Communications department at the University of Washington has defined digital media as “...any medium that uses digital interactive technologies as the engine for communication.”¹ When discussed by the Corporate Research team, it refers to occupations and industries in which there is a focus on the development, advancement, and heavy reliance upon digital media. Since there is no readily available definition based upon NAICS or SOC codes for “digital media,” our team developed one using a rigorous methodological approach (contact Lauren Branneman for details on our approach).

The following SOC codes comprise MEDC’s definition of digital media intensive occupations:

Computer and Info Systems Managers	11-3021	Architectural and Civil Drafters	17-3011
Computer and Info Research Scientists	15-1111	Surveying and Mapping Technicians	17-3031
Computer Systems Analysts	15-1121	Multimedia Artists and Animators	27-1014
Information Security Analysts	15-1122	Commercial and Industrial Designers	27-1021
Computer Programmers	15-1131	Graphic Designers	27-1024
Software Developers, Applications	15-1132	Interior Designers	27-1025
Software Developers, Systems Software	15-1133	Audio and video equipment technicians	27-4011
Web Developers	15-1134	Sound Engineering Technicians	27-4014
Database Administrators	15-1141	Photographers	27-4021
Network and Computer Systems Admins	15-1142	Camera operators, TV, video, and motion picture	27-4031
Computer Network Architects	15-1143	Film and Video Editors	27-4032
Computer User Support Specialists	15-1151	Motion Picture Projectionists	39-3021
Computer Network Support Specialists	15-1152	Desktop Publishers	43-9031
Computer Occupations, All Other	15-1199	Photog Process, Processing Machine Ops	51-9151
Cartographers and Photogrammetrists	17-1021		

¹ http://www.com.washington.edu/Program/MC/MC_Digital/faq.html.

The following NAICS codes comprise MEDC’s definition of digital media related industries:

Newspaper, Periodical, Book, Directory Publishers	5111	Data Processing, Hosting, and Related Svcs	5182
Software Publishers	5112	Other Information Svcs	5191
Motion Picture and Video Industries	5121	Architectural, Engineering, and Related Svcs	5413
Sound Recording Industries	5122	Specialized Design Svcs	5414
Radio and Television Broadcasting	5151	Computer Systems Design and Related Svcs	5415
Cable and Other Subscription Programming	5152	Management, Scientific, Tech Consulting Svcs	5416
Wired Telecommunications Carriers	5171	Scientific Research and Development Svcs	5417
Wireless Telecomm Carriers (except Satellite)	5172	Advertising, Public Relations, and Related Svcs	5418
Satellite Telecommunications	5174	Other Professional, Scientific, and Technical Svcs	5419
Other Telecommunications	5179	Independent Artists, Writers, and Performers	7115

Note that the “Creative Industries” cluster, which has been a hot topic as of late, is different than the “Digital Media” cluster. While there is some overlap between the two, these clusters should not be referenced interchangeably.

Skilled Trades

“Skilled Trades” is a cluster of occupations with unique training and education needs, and can generally be split into three categories (although the definition that MEDC—and LMI—adheres to excludes the third, Skilled Service Trades):

1. Skilled Construction Trades (i.e. carpenter),
2. Skilled Industrial Trades (i.e. electrician), and
3. Skilled Service Trades (i.e. manicurist).

LMI produces an occupational definition for this cluster, which is described in their report [“Employment and Occupations in the Skilled Trades in Michigan,”](#) published in 2013 and available on their website. When looking at Skilled Trades for the State of Michigan, LMI excluded Skilled Service Trades occupations. The MEDC follows suit, looking only at skilled trades among manufacturing and construction related jobs. The occupational breakdown for the skilled trades is shown below:

Skilled Construction Trade	SOC
Boilermakers*	47-2011
Electricians*	47-2111
Plumbers Pipefitters and Steamfitters*	47-2152
Brickmasons and Blockmasons	47-2021
Carpenters	47-2031

Tile and Marble Setters	47-2044
Cement Masons and Concrete Finishers	47-2051
Terrazzo Workers and Finishers	47-2053
Operating Engineers and Other Construction Equipment Operators	47-2073
Glaziers	47-2121
Insulation Workers Mechanical	47-2132
Painters Construction and Maintenance	47-2141
Pipelayers	47-2151
Plasterers and Stucco Masons	47-2161
Sheet Metal Workers	47-2211
Structural Iron and Steel Workers	47-2221
Elevator Installers and Repairers	47-4021
Heating Air Conditioning and Refrigeration Mechanics and Installers	49-9021
Riggers*	49-9096
Crane and Tower Operators	53-7021

Source: Michigan LMI, "Employment and Occupations in the Skilled Trades in Michigan," June 2013.

*Primary occupation for skilled trades; appears in the industrial trades, as well.

Skilled Industrial Trade	SOC
Boilermakers*	47-2011
Electricians*	47-2111
Plumbers Pipefitters and Steamfitters*	47-2152
Electrical and Electronics Repairers Powerhouse Substation and Relay	49-2095
Industrial Machinery Mechanics	49-9041
Maintenance Workers Machinery	49-9043
Millwrights	49-9044
Precision Instrument and Equipment Repairers All Other	49-9069
Maintenance and Repair Workers General	49-9071
Computer Numerically Controlled Machine Tool Programmers Metal and Plastic	51-4012
Machinists	51-4041
Model Makers Metal and Plastic	51-4061
Patternmakers Metal and Plastic	51-4062
Tool and Die Makers	51-4111
Welders Cutters Solderers and Brazers	51-4121
Tool Grinders Filers and Sharpeners	51-4194
Cabinetmakers and Bench Carpenters	51-7011
Model Makers Wood	51-7031
Patternmakers Wood	51-7032
Stationary Engineers and Boiler Operators	51-8021
Water and Wastewater Treatment Plant and System Operators	51-8031
Riggers*	49-9096

Source: Michigan LMI, "Employment and Occupations in the Skilled Trades in Michigan," June 2013.