



CITY of NOVI CITY COUNCIL

**Agenda Item 1
January 28, 2013**

SUBJECT: Approval of Resolution for Adoption of the 2013 City of Novi Economic Development Goals & Strategies; and Review of 2012 Economic Development Goals & Strategies.

SUBMITTING DEPARTMENT: Neighborhood & Business Relations *SB*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

This was a comeback year in many respects— moderate number of housing permits and increased property values along with a resurgence of new and diverse businesses that have opened their doors in Novi made 2012 a prosperous year in the City. Whereas commercial property values are still not what they once were, we are certainly seeing an increase in new business activity and lower office vacancies with less large existing buildings coming off the market. These are encouraging signs for our local economy and throughout the state. It seems that many companies have weathered the worst part of the economic downturn and are in a hiring phase.

Novi's entire economic development team which includes City Council, Boards and Commissions and City Administration continues to innovate and accomplish goals which advance the city in order to provide the business with community high quality services and resources. It is important to continue to be a business friendly community, constantly re-evaluating our procedures and seeking avenues of improvement.

This report along with proposed strategies for 2013 serves as the roadmap for economic development activities and includes some important carry over goals as these cannot be accomplished in one year's time. These goals will open the door for additional opportunities in 2013.

RECOMMENDED ACTION: Approval of Resolution for Adoption of the 2013 City of Novi Economic Development Goals & Strategies; and Review of 2012 Economic Development Goals & Strategies.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

RESOLUTION ADOPTION OF 2013 ECONOMIC DEVELOPMENT STRATEGIES/GOALS

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on January 28, 2013 at 7 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS; economic development has been identified, by the Novi City Council, as a priority; and

WHEREAS; the City of Novi must continue to invest in attracting businesses nationally and internationally; and

WHEREAS; effective strategies will be important for economic development of the City of Novi; and

NOW THEREFORE, IT IS THEREFORE RESOLVED; that the Novi City Council has adopted the attached 2013 Economic Development Strategies/Goals.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 28 day of January, 2013, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, City Clerk
City of Novi

NOVI

MICHIGAN, U.S.A



ECONOMIC DEVELOPMENT REPORT

2013 Proposed Goals and Strategies / 2012 Report

Prepared by:

Ara Topouzian, Economic Development Director

THEME

This was a comeback year in many respects— moderate number of housing permits and increased property values along with a resurgence of new and diverse businesses that have opened their doors in Novi made 2012 a generally prosperous year in the city. Whereas commercial property values are still not what they once were, we are certainly seeing an increase in new business activity and lower office vacancies with less larger existing buildings coming off the market. These are encouraging signs for our local economy and throughout the state. It seems that many companies have weathered the worst part of the economic downturn and are in a hiring phase.

Novi's entire economic development team, which includes City Council, Boards and Commissions and City Administration continues to innovate and accomplish goals which advance the city in order to provide the business with community high quality services and resources. It is important to continue to be a business-friendly community, constantly re-evaluating our procedures and seeking avenues of improvement. The goal is a diversified quality tax base that offers jobs, creating revenue for local government, and retains and attracts residents, visitors, and businesses.

This report along with proposed strategies for 2013 serves as the roadmap for economic development activities and includes some important repeat goals as these cannot be accomplished in one year's time. These goals will open the door for additional opportunities in 2013.



2013 Economic Development Goals & Strategies

(For consideration by Novi City Council in January, 2013)

Expansion, Attraction, and Retention, Strategy #1

Ongoing strategies; updates to be provided quarterly

Local Business Retention and Expansion, #1A

Retention will always play the most important role in local economic development efforts. These efforts allows Novi to grow and create relationships, while creating an avenue to prospect for suppliers that compliment the existing business community. The focus will be on personal retention visits and provide resource support to major (research, office and industrial) employers in Novi with more than 50 employees with personal retention visits and support (linking to resources) to our existing Novi businesses.

Additional Focus on Local Business Attraction with High Profile Opportunities, #1B

- Novi has several key properties which are essential to develop and redevelop that would be beneficial for the city. The private **Main Street development** continues to be an important area ideal for mixed use of retail and office businesses. With new property owners in place, this development which is at the southern part of the retail area, complimenting the other adjacent shopping centers. *(Identified as short and long term ED goal—1/5/13)*
- The redevelopment of the former **Rainbow Coating** (Trans-X, east of Novi Rd) for future land use designated as TC Commercial could bring a quality mixed use development; the former **Novi Expo Center** is future land use designated as Office, R&D, Technology, providing a potential large corporate headquarter-type business. *(Identified as long term ED goal—1/5/13)*
- Building on the success of **Tognum America** in the OST corridor north of Thirteen Mile Road, **Northern Equities** continues to expand this new office park, which is an ideal location for new corporate offices.

- The former Husky building, located along I-96 and Twelve Mile Road continues to be an attractive site due to both a railroad spur that is attached to the building, as well as the large ton cranes which are rare in large buildings.
- Continue to partner and build relationships with the broker/development community for the purpose of business attraction. *(Identified as short term ED goal—1/5/13)*

International Business Attraction, # 1C

Continue focused efforts of attracting international firms to Novi. There are over 850 businesses representing over 720 foreign-parent firms operating in Oakland County with the largest percentages being Germany (21%), Japan (22%) and other parts of Europe (11%). These figures are consistent with Novi's representation of Japanese owned firms (65) and German (19) owned firms.

New Businesses in 2013, #1D

Each year a listing of new businesses which have located in Novi, Michigan including company name, type of business and number of full-time employees will be included in the annual report.

Novi Networking Roundtables, #1E

- a. Coordinate a bi-annual breakfast (Novi CEO Roundtable) to bring together a group of Novi executives for the purpose of networking and becoming more acquainted with one another.
- b. Based on the success of the CEO Roundtable, investigate and establish additional specialized groups (of complimentary industries) for the purpose of networking to help strengthen the Novi business community.
- c. Investigate establishing a Novi International Advisory Council made up of the larger foreign-based businesses within Novi. (i.e. Toyota Boshoku, Mando, etc.) The key objective is to understand the needs of the international business community while staying up-to-date on Novi's foreign firm investments.

Monitor high tech transportation efforts and opportunities involving the Aerotropolis initiative and Intelligent Transportation Systems (ITS), #1F

- a. The Next Michigan Development Act (NMDA) supporting Aerotropolis for Wayne and Washtenaw counties was passed through legislation in December, 2010. While Oakland County government is not part of this initiative, the Novi City Council and the Novi Chamber of Commerce have supported it. Novi has a great location at the intersection of freeways and the CSX railroad line to leverage logistics support such as Ryder System. Continue to monitor this initiative and investigate ways Novi can continue its support.
- b. Continue building relationships within the ITS community by participating in potential marketing opportunities and trade missions. In 2014, ITS America, the country's largest ITS conference will be hosted in Detroit, Michigan.
- c. Investigate the benefits and potential plan of action for a Regional Transit Authority. A Southeast Michigan Regional Transit Authority was passed during the December, 2012 legislature lame duck session allowing an authority to be in charge of coordinating public transit within the Macomb, Oakland, Washtenaw and Wayne counties. *(Identified as long term ED goal—1/5/13)*

Networking, Strategy #1G

- a. The international chamber of commerce community can play a vital role in business attraction. Memberships with the German, Italian, Japanese, and Swedish Chambers link Novi to the international community. Continue to investigate and evaluate quality attraction networking opportunities within the international business community.
- b. Through memberships with Automation Alley and International Council of Shopping Centers Michigan chapter, seek additional networking venues to grow the relationships within the business and broker/realtor communities.
- c. Immigrants and their children are a growing share of Michigan's population and electorate according to the Immigration Policy Center (IPC). In January, 2012, IPC reported that immigrants comprised 6.8% of Michigan's workforce as well as 11% of the total economic output in the Detroit metro area. A strategy to develop a partnership with the Novi Chamber in creating an international networking event that reaches out to the local international community for the purpose of both welcoming them and making them an active participant in Novi. These could also be cultural seminars held at the Novi Public Library.

Broadband, Strategy #1H

There is an abundant amount of evidence in recent years to suggest that high speed/low cost access to the Internet can contribute significantly to the economy, economic growth, job creation, and innovation in the development of new services and applications. For businesses, adequate broadband allows the transporting and accessing of "big data" which is critical for economic development and competition, especially with and among foreign companies. The debate (between the cable providers and the business community) in the United States is whether or not we have adequate infrastructure to compete on this information superhighway globally and are we limiting the ability of local business as well as the attraction of foreign companies due to the lack of this infrastructure? We will investigate the technology needs and requests by working with local chief information officers at both a municipal level as well as private businesses.

Promoting Business Friendly, Strategy #2

Ongoing strategies; updates to be provided quarterly

Coordination between Economic Development and Community Development, #2A

- a. Establish an effective process between Community Development and customers (New/existing businesses) that promotes increased communication, and follow-up for to ensure fast turnaround and business retention for commercial projects.
- b. Implement a contact form that captures appropriate business contact information (not contractors, construction works or brokers/developers) for each commercial project for Community Development/ Economic Development departments. This pro-active measure will ensure there is proper communication between the City of Novi and the prospective business.
- c. Continue to invest southeastern Novi neighborhoods in order to promote community stability and neighborhood values. *(Identified as short term ED goal—1/5/13)*
- d. Investigate and establish a plan to commercially develop the east side of Novi. *(Identified as long term ED goal—1/5/13)*
- e. Investigate potential development options for Grand River corridor between Taft and Beck roads. *(Identified as long term ED goal—1/5/13)*

Relocation, #2B

Encourage Novi businesses to inspire their workforce to relocate to Novi as their permanent residence. This would include providing information and resource links to business leaders and human resource departments regarding schools, housing, and parks and recreation.

Marketing/Advertising, Strategy #3

Ongoing strategy; updates to be provided quarterly

e-biz Newsletter (Electronic/Print), #3A

Continue the monthly e-mail blasts to over 2,000 businesses in Novi and around the world with information relevant to the Novi business community.

InvestNovi.org Website Growth / Social Media Marketing, #3B

- a. Increase visibility of InvestNovi.org utilizing social media (Facebook, Titter, LinkedIn) marketing tools to further promote the City, County, and State economic development initiatives.
- b. Evaluate and add information that would be valuable to site selectors such as unemployment statistics of Novi/region, wage information, testimonials and demonstrate diversity of community.
- c. Continue Novi's successful social media efforts by providing timely and relevant business-related information.

Marketing Brochures, #3C

- a. Produce updated Novi Economic Development materials which are utilized for both attraction and retention efforts. Last update of marketing materials was one year ago.
- b. Investigate and produce a Novi retail and services brochure that can be utilized for local hotels as well as used as handouts for different exposition shows (Suburban Collection Showplace) to attract business travelers and encourage them to patronize local establishments while in the city.
- c. Update the existing Doing Business Guide with a focus on providing a Community Development checklist that can be given to all commercial businesses wishing to locate to Novi.

Other Marketing opportunities, #3D

- Investigate other opportunities that will market Novi, Michigan as a location for new businesses.
- Leverage and market Novi's growing cultural arts offerings (including Barr Park) for the purpose of residential and business attraction. *(Identified as short term ED goal—1/5/13)*
- Promote economic development success stories in local media outlets.
- Create additional two-minute "Why Novi?" videos that will mirror the look and feel of the Pure Michigan ads. These can be aired on Novi Television, Facebook, as well as YouTube.
- Additional exposure from success stories will continue to improve our reputation among the broader business community.

Incentives, Strategy #4

Yearly Assessment of Incentive-based projects, #4A

Provide a yearly assessment of the projects in which the City of Novi participated and that involved local incentives.

Update to be provided in December, 2013

PA210 Commercial Rehabilitation Act Tax Abatement Policy Update, #4B

A PA210 policy was created in 2011 to encourage the rehabilitation of commercial property by abating the property taxes generated from the new investment for a specific period. This was amended in 2011 to provide that the construction of a hotel with meeting/convention space attached to an existing convention and trade center of a certain size and location can qualify for a tax abatement of 100% of the value of the hotel improvements (but not the land on which it is located) for a period of up to 10 years. The City of Novi adopted policies for the Suburban Collection Showplace, as well as the former Novi Expo Center and the four corners of Ten Mile/Meadowbrook Roads.

Continue to investigate new opportunities to present this incentive to both redevelopment areas—former Novi Expo Center and the four corners of Ten Mile/Meadowbrook roads.

Ongoing strategy; updates to be provided quarterly

Assisting Small Business, Strategy #5

Ongoing strategies; update provided quarterly

Business Assistance Teams (BAT), #5A

Coordinate specialized BAT visits pertaining to certain business sectors to help increase participation in the program. Consultation and approach will be different depending on whether they are a first or second stage business, these are defined as follows:

- 1st Stage: Newly formed/under two years of operation, all sizes, all industries
- 2nd Stage: 2+ years in business, 10-99 employees

Continued partnership with the Novi Chamber, #5B

Continue to play an active role with the Novi Chamber in assisting small businesses. The Novi Chamber now holds the Business Recognition Awards (i.e. Mayor's Ambassador of the Year award and marketing assistance).

Workforce / Talent Development, Strategy #6

Last year, Michigan has placed a greater emphasis on having a properly skilled workforce. This includes creating talent through colleges/universities, collaborating talent with the private sector, and connecting talent with jobs.

Investigate and collaborate with potential partners to promote a talented workforce environment. Provide updated information on how the Michigan Economic Development Corporation, Michigan Works! and Workers Intelligence Network are creating a better workforce environment. Continue to work with the Michigan Economic Developers Association and their whitepaper (on workforce issues) initiative to support the common goals of talent development.

Ongoing strategy; update provided quarterly

2012 Economic Development Goals & Strategies Report

(2012 Goals & Strategies adopted by Novi City Council on February 21, 2012)

Expansion, Attraction, and Retention, strategy #1.0

Local Business Retention, #1A

An average of **five (5) personal retention visits per month occurred throughout 2012**. The visits not only included the top employers within Novi but several small businesses as well. Governor Snyder's plan of restructuring the Michigan Economic Development Corporation (MEDC) includes a retention program led by local communities. This doesn't include other interactions with businesses through local and statewide events which, would increase the face time businesses receive from the City of Novi.

Ribbon Cuttings:

The City participated in **ten (10) ribbon cuttings in 2012**. Some of the ribbon cuttings included: **Kistler Automotive, Tognum America** along with several retail establishments including the redevelopment of the **Novi Town Center** and the opening of **Wal-Mart**.

Other Retention Activities:

Corporate Review and **Business Avenue** are cable programs that feature Novi-based businesses or relevant economic development topics with one new episode airing each month.

During the first two quarters of 2012, preventative retention visits involving Public Safety were held to discuss past false alarm issues a business may have experienced. These visits have been a positive experience and will continue as needed.

Other Attraction Activities:

For 2012, there have been **40 prospective businesses** that have expressed interested in locating to Novi. Many of these prospects are still ongoing; they range in size and type of business (A majority are small businesses) as some may take several months to develop into a new business. It is estimated that 85% of those prospects will turn into new businesses. (In 2011, there were 23 prospective businesses and 80% became new business).

Economic Gardening, #1B

- Identifying second stage companies has been time intensive, as there is no clear method to gather this information. Currently, we are in the final stages of compiling a database of Novi businesses, which encompasses the correct criteria of a second stage business (10-100 employees and \$1-50 million in revenue as defined by the MEDC). Once the database is completed, there will be a plan to outreach to these businesses. Novi has a number of second stage businesses that received great publicity in recent months, such as **Marvel Technologies**, a company we worked with in 2009 that had only \$500,000 in revenues and now has 55 employees with \$10 million in revenue.
- In partnership with the **City of Auburn Hills** and **Oakland County Economic Development & Community Affairs**, a presentation featuring **Dr. Ernesto Sirolli** was held on September 10 & 11. This three hour session provided an overview of an economic gardening model that brings together resources, as well as the building of an eco-system that bolsters small business and emphasizes the power of growing jobs one at a time as a central component to entrepreneurship. One session was held in Auburn Hills and the other in Novi with a total of 80 attendees comprising of both small business owners and regional economic developers. It is expected that additional seminars featuring Dr. Sirolli will be held in 2013.

Local/Regional Transportation Infrastructure, #1C

Ongoing efforts in monitoring the second international bridge from Detroit to Canada as per this objective has taken place. As potential opportunities arise, they will be reported in a future update.

New Businesses in 2012, #1D

The chart at the end of this report represents new businesses, which have moved to Novi from **January 1, 2012 to December 1, 2012**. Please note that it is difficult to track and verify every new business entering the city as several of them may be tenant or sub-tenant leases that do not require direct city involvement. Efforts are made by constant research to make this list as accurate as possible. Methods of tracking new businesses in Novi include: Ongoing attraction efforts, building permits, and tracking data through CoStar software.

Monitor efforts and opportunities involving the Aerotropolis initiative and Intelligent Transportation Systems (ITS), #1E

- The **Aerotropolis** initiative and its incentive infrastructure has been in place since 2010 (Next Michigan Development Act) but unfortunately no major update or attraction efforts have occurred by Wayne County since its inception.
- Continue efforts to build relationships in the **ITS** industry by networking at ITS Michigan, an annual trade show in Dearborn, Michigan along with advocating more of a presence with Oakland County and the State of Michigan to appeal to the ITS industry to consider Michigan as a potential location for establishing an office.
 - City Manager Clay Pearson represents Novi on the board of directors for ITS Michigan and was recently (November, 2011) appointed to the Legislative Affairs committee of ITS America.
 - In July, ITS Michigan Board of Directors held their monthly meeting at the Novi Civic Center.

Networking, Strategy #1F

Significant Networking Events:

- On March 22, 2012, the City of Novi co-sponsored a business connection event at the Suburban Collection Showplace entitled **American Pacific American Chamber of Commerce East West Business Connections Event** with over 400 attendees.
- On May 17, 2012, the City of Novi hosted a networking reception with **Automation Alley**. Over 300 business professionals attended, many were non- Novi businesses that have never been in Novi.
- Novi participated in the **International Council of Shopping Centers** annual IdeaExchange in Dearborn (July) that allowed for interaction with potential new business and the broker/realtor community.
- On November 13-15, 2012, the **Battery Show** was held in Novi. This was used as a key opportunity for both retention and attraction. Special marketing brochures were created and distributed to well over 2,000 exhibitors, many of whom were overseas business travelers.

International Business Attraction, #1G

Continue efforts to reach out to the international community in order to build relationships for the purpose of international business attraction. Novi is still a hub for Japanese/Asian business through our relationships with the Counsel General of Japan, the Japanese Business Society of Detroit and others. Currently, the MEDC is restructuring their international business attraction team and we hope to have additional involvement with them in 2013.

Main Street Strategy #1H

A tremendous amount of work and partnership took place in 2012 between the city administration and Main Street property owners to “untangle” original Main Street agreements that allowed for parcel separation, in hopes of creating easier avenues of redevelopment of the Main Street area.

Identify challenged commercial properties within Novi that may be difficult to develop due to environmental barriers, #1I

Research and discussions with environmental experts (AKT Peerless and ASTI Environmental) led to the conclusion that Novi doesn't have an abundant amount of commercial properties hindered by environmental issues. Brownfield tax credits from the State of Michigan are more difficult to obtain due to funding and Oakland County environmental projects are virtually non-existent. Connections with the states top environmental firms along with Oakland County's Brownfield division will be maintained so that if a project presents itself, it can be handled in an expedited manner.

Promoting Business Friendly, Strategy #2

Continue Coordination between Economic Development and Community Development, #2A

- An effective and positive process is now in place allowing the Community Development staff (and other departments as deemed necessary) to become involved in business attraction efforts by way of an “unofficial” site plan review. This meeting allows a potential business to ask up-front questions before a property is purchased or a lease is signed. This unofficial review along with positive follow-ups establishes an early trust and confidence with the prospect —something that has proven to be mutually beneficial.
- Continue efforts with the Community Development team in order to identify specific commercial projects completed in the past six months. Once identified, some will be used as case studies and key contractors and property owners will be invited to discuss the outcome of the development process. We currently interview the key individuals involved with Summit Health and received positive input in order to improve our internal processes. This case study process will continue into 2013.
- During the Grand River Avenue road construction project, a resolution was passed by City Council that allowed those Novi businesses along Grand River Avenue to have extra road signage. This temporary promotional sign allowance gave Novi businesses a one-time, additional business sign from March 27 through September 15, 2012.
- Novi City Council suspended an ordinance which required restaurants to wait until April 15 to open outdoor seating at area restaurants. Unseasonable warm weather allowed for, and encouraged early seasonal use in 2012.
- Novi City Council streamlined the process of an outdoor seating application, eliminating certain submission requirements which deemed costly to businesses. An application that provides sufficient information for the Building Official to determine compliance with the outdoor seating provisions of the outdoor seating requirements of the ordinance will be sufficient to meet the standards.

Relocation, #2B

Discussing housing requirements/needs is now an ongoing part of all attraction meetings and retention visits. Assistance is offered for companies who wish to have employees live near the workplace. Demographic materials along with housing information is provided to these companies.

Marketing/Advertising, Strategy #3

E-Biz newsletter (Electronic/Print), #3A

eBiz is electronically distributed on the **second Tuesday of each month** and contains relevant information for the local business community. There are over **2,800 e-mail contacts** (compared to: 2,080 in 2011, 300+ in 2010) in this database. Efforts are ongoing to eliminate or correct bounced or bad email addresses. Constant Contact (online email marketing software) indicates that the comparable for government agencies is an open email rate of 32% and e-Biz is at **38-40%** consistently each month.

In order to cut down costs and to provide effective marketing, a print version of Novi-biz is no longer produced and dissemination of news and information is being done via website, social media and email blasts.

InvestNovi.org Website Growth / Social Media Marketing, #3B

InvestNovi.org is the city's economic development website; it **averages over 600 visitors per month** (source: Google Analytics). One of the most popular components of the site is the Available Properties and Community Profile section, that is utilized for business attraction.

Facebook (facebook.com/investnovi) is utilized as a marketing tool to disseminate information pertaining to the business climate of Novi and the State of Michigan, as well as a way to promote good news from the Novi business community. As of the date of this report, there are close to 450 'Likes' for the Facebook page. Over 450 followers utilize **Twitter** and **LinkedIn** other social media marketing tools to disseminate information. The Economic Development group boasts 150 members — 25% more than last year.

Other Marketing Opportunities, #3C

Battery Show

Originally held in California, the Battery Show, now in its second year in Novi, showcases the very latest advanced battery solutions for electric & hybrid vehicles, utility and renewable energy support, portable electronics, medical technology, the military and telecommunications.

Over 400 exhibitors and 4,000 people attended the show in 2012. The City of Novi was able to participate as a sponsor of a city map outlining restaurants, retail shopping venues and other areas of interest for exhibitors and attendees.

Why Novi social media videos

In partnering with the Northville Educational Foundation, Novi utilized an intern for eight weeks to produce three short Why Novi? videos that featured Marvel Technologies, Tri-Coverey Massage, Laser Mechanisms and Kistler Automotive. These brief two-minute videos were utilized for social media purposes.

Incentives, Strategy #4

Provide a yearly assessment of the projects in which the City of Novi participated and that involved local incentives.

Ryder System (2007) <http://www.ryder.com>

Local Contribution: Infrastructure improvements – Cabot Drive public road extension valued at \$483,000. Company is seeing growth (5% each year), mainly in the Supply Chain Solutions side of the business. Business is steady right now and their headcount is about the same since they came to Novi at 600 people. The auto sector is doing well and currently Ryder's employment is stable. The company is actively hiring for new positions as well as replacing retiring employees.

Harman (formerly Harman Becker Automotive) (2008) <http://www.harman.com>

Local Contribution: Expeditious review process and inspection times, reduced/reimbursement of portion of permit fees, and staff support.

Harman continues to grow as a leading supplier of audio and infotainment systems, most recently to BMW. Globally, Harman's revenue for 2012 is up 58% to \$300 million and sales account for 16% of that overall increase.

Howa USA Holdings (2008) <http://www.howa.co.jp/en/>

Local Contribution: None was required

Continued growth as future business looks very good from an economic standpoint. Employee count has increased from 10 (in 2011) to 18 this year. They are actively interviewing and looking to add eight additional employees in for 2013.

Mando America (2008) <http://www.mando.com>

Local Contribution: Expeditious review process and inspection times--up to \$20,000 in funds allocated for public infrastructure improvements.

Mando America continues to grow at a rate that exceeds target expectations in both North and South America. Through 2012 the Novi Technical Center has grown headcount by 12% above the target value while completing NVH test elements as well as Electronic Steering proto-type facilities.

Novixus (2008) <https://novixus.com/>

Local Contribution: Expeditious review process and inspection times, use of the City of Novi banquet/conference rooms for the purpose of job training, ability to post job openings on investnovi.org website, and staff support.

Overall a more prosperous year for Novixus. The company was selected by Oakland County as a major account in 2011 and the University of Michigan in 2012.

Caparo (2009) <http://www.caparo.com>

Local Contribution: \$5,000 application fee was offered but due to a scheduling conflict with the MEDC, the fee was unnecessary and the project was approved.

In August, 2012, Caparo announced they were closing their Michigan facilities due to financial problems. No operations are currently taking place at Caparo, with only essential staff on hand – approximately six individuals. Their final day on the property will be February 28, 2013.

Kongsberg (2009) <http://www.kongsbergautomotive.com/>

Local Contribution: None was required

Employment figures for 2012 are the same as 2011 (107 employees) with some turnover. At any given point they have 10 positions that are open which include positions in engineering, technical, sales, etc. Their positions are good wage jobs. Overall globally Kongsberg is steady and have kept at an even pace, and the Novi office seems to be doing fairly well.

SAIC (formerly Patrick Energy Services) (2009) <http://www.saic.com>

Local Contribution: \$5,000 MEGA application fee paid by the City of Novi.

Overall SAIC saw 2012 as “flat” from an economic standpoint. They saw an uptick in both the 2nd and 3rd quarter but a drop in the 4th quarter. Employee count has remained steady due to attrition, and with a renewed focus that has positioned SAIC for growth, they hope to hire in 2013. They predict a 10% growth for 2013.

Oxid Corporation (Brownfield) (2009) <http://www.oxid.com>

Local Contribution: Utilization of tax increment financing for a period of nine years ending no later than 2017. Employee size increased by two new employees and a third to be added in 2013. Oxid had a 30% increase in revenue for 2012.

Metalsa Structural Products (2010) <http://www.metalsa.com/>

Local Contribution: \$5,000 MEGA application fee paid by the Novi EDC.

The global supplier of structural components in the light and commercial vehicle markets plans to invest \$1.9 million to relocate their global commercial and research and development operations to Novi.

During 2012, Metalsa has been focused on implemented the programs awarded during 2011. Also several R&D projects are being developed by Metalsa Tech Center in Novi and some others co-developed in conjunction with some of our customers. They announced in November 2012 its agreement to acquire ISE Automotive GmbH, a portfolio company of the Private Equity Fund Nordwind Capital. Once the transaction and approvals are completed, the acquisition will strengthen Metalsa’s position as a global automotive supplier of structural components to the light and commercial vehicle markets and further expand its customer base and global footprint into new regions as China, Germany, South Africa and Turkey. The acquisition is part of Metalsa’s strategic for the business and is in alignment with its current business, adding a complementary product portfolio while gaining technological capabilities to support additional business on a global scale. Currently, they have 54 employees, two were add in 2012.

Toyota Boshoku America (2010) <http://www.toyota-boshoku.co.jp/en/index.html>

Local Contribution: \$5,000 MEGA application fee paid by the Novi EDC, expedited site plan / permit review process, and discounted payment for their water tap fees up to \$9,000 subject to approval by the Novi Economic Development Corporation.

2012 was a good year for TBA. They have nearly returned to profitability, expanded their customer base, and increased their Toyota business portfolio. The Technical Center in Novi has added 20+ people in this year and is actively recruiting. They expect to add more business outside of Toyota in 2013 and plan to continue to grow staff to support this. TBA is planning to spend about another \$1 million on equipment to expand their development and evaluation capabilities and will soon have third party certification for their evaluation lab.

Ecco Tool (Tool & Die Recovery Zone) (2010) <http://www.eccotool.com>

Local Contribution: Eight-year real property PA198 tax abatement awarded by the Novi City Council in July 2010.

Business has progressed very well for Ecco Tool in 2012, although not as good as in 2011. Total employee count remains at 8, with no new jobs added this year. They were able to attract new customers through a successful turn out at their open house they conducted; however they did lose their renter. They were able to purchase some new software and pay off two of their heavy machines.

Detroit Heavy Truck Engineering (DHTE) (2011) <http://www.dhtellc.com>

Local Contribution: \$5,000 MEGA application fee paid by the Novi EDC.

Detroit Heavy Truck Engineering currently has 17 full-time employees in Novi, with plans to add 3 more jobs in January 2013. Currently they have 5 – 6 job openings for Electrical Engineers, CAD designers, and a Designer Check, and are finding difficulty finding the right skill set. Most employees are bi-lingual, and DHTE is using LinkedIn, U of M internships, and a headhunter to locate skilled employees for their company. Business was better this year than in 2011, with revenue at 7 million for 2012. They have co-op positions with Kettering University and will also start working with Lawrence Tech. They would like to hire younger talent.

Macprofessionals (2011) <http://www.macprofessionals.com>

Local Contribution: \$5,000 MEGA application fee paid by the Novi EDC.

This company has the largest staff of Apple-certified technicians in the United States. It invested \$2.2 million to expand its Novi offices to support significant growth in its operations. They moved into a new state-of-the-art 45,000 sq. foot headquarters this past Spring. A nationally certified woman-owned (WBE) technology integration company employs over 90 engineers, sales executives, specialists, and administrative staff.

Tognum (2011) <http://www.tognum.com>

Local Contribution: Eight year real property PA198 tax abatement awarded by the Novi City Council in April, 2011).

Tognum opened their offices in January, 2012 and currently has 300 employees in Novi, with 600 throughout the United States. In November, Tognum unveiled an onsite CHP Solutions system which creates both heat and electricity for a variety of applications that have a need for electrical and thermal power for more than 8,000 hours per year. Currently in use in many European facilities, is the first from MTU Onsite Energy to be placed into service in North America. Tognum indicates a potential savings of \$30,000 over the winter months by using the natural gas-powered system for both heat and power at its Novi operations. Expected revenue growth in the lower single-digit percentage range for 2013.

Suburban Collection Showplace (2011) <http://suburbancollectionshowplace.com>

Local Contribution: Six-year abatement for the purpose of building a hotel adjacent to the Showplace.

The Showplace had a very productive year and is currently in the process of building the Hyatt Place hotel, which is expected to open in the Spring/Summer 2013.

PA210 Commercial Rehabilitation Act Tax Abatement Policy Update, #4B

The **former Novi Expo Center** was completely demolished with the outlook that redevelopment will take place on this property. Partially prompted by the fact that this property is eligible for a PA210 depending on the type of development. Whereas no plans for redevelopment have been submitted to Novi, we are aware of the property owner investigating potential concepts for the property.

On May 21, 2012, City of Novi Planning staff, with assistance from the City's architectural consultant, completed a draft of an Area Plan for the sixteen commercial properties on all corners of the intersection of **Ten Mile and Meadowbrook Roads**. The "Ten Mile and Meadowbrook Commercial Rehabilitation Area Plan" was developed as part of the City Council's Tax Abatement Policy for the Area. The Area Plan is intended to create a vision for the overall Area, such that when property owners apply for the tax abatement the Policy offers, the improvements proposed can be guided by the overall vision of the Area Plan. The improvements proposed will be considered by the City Council relative to the requirements of the Tax Abatement Policy and their consistency with the Area Plan to determine their eligibility. The plan is currently being shown to some of the area property owners for feedback.

Small Business, Strategy, #5

Business Assistance Teams (BAT), #5A

Outreach to small businesses in Novi by way of a BAT team has been difficult (scheduling, time commitments), but individual attention to small business is an ongoing effort that **averages 2-3 interactions with a business per week**. The interactions are varied with the majority of assistance and advice surrounding marketing and public relations. Currently the BAT program was a partnership with Oakland County, but due to personnel changes mid-year at the county, it has been difficult to coordinate additional team visits.

Other small business strategies:

- The focus of **Senior Corp of Retired Executives (SCORE)** is business counseling. Confidential counseling can last for a few sessions or several years based on individual needs as one ascends the SCORE Stairway to Business Success. One-on-one counseling can take place at the Novi Public Library on Thursday evenings and one Saturday morning each month.
- Eight communities across the state of Michigan are top performers at fostering entrepreneurial growth and economic development, according to the annual eCities study. The study, conducted by iLabs, University of Michigan-Dearborn's Center for Innovation and Research, chose Novi **as one of the 5-Star Communities** that understands the needs of the small business community.
- On September 25, 2012, the Novi Library opened the **Business Resource Center**, a "one-stop-shop" for information on how to start or expand your business, including business books, magazines, and newspapers; online business databases; and business courses and mentoring.

Novi CEO Roundtable, #5B

Coordinate a bi-annual breakfast to bring together a group of Novi executives for the purpose of networking and becoming more acquainted with one another.

On January 17, 2012, **David Egner**, Executive Director of the **New Economy Initiative**, spoke to approximately twenty business and community leaders at the Baronette Renaissance.

On October 25, 2012, **Consul General of Japan, Kuninori Matsuda** was the guest speaker and provided excellent insight to the Japanese culture and economy. There were twenty-five in attendance.

The average attendance at these sessions is 20-25 top executives of Novi. Breakfast is provided courtesy of The Baronette Renaissance.

Survey of Small Business Community, #5C

Survey was completed and released on February 11, 2012. A total of 40 businesses from a variety of industry categories responded to the survey. The top categories were retail, financial, and computer/IT. Predominately, small businesses (under 25 employees) overall answers conclude that business is getting better, which is consistent with what I hear when making personal retention visits.

This survey was promoted via online tools (for a total of one month) such as InvestNovi.org, monthly eBiz blast, Novi Chamber of Commerce website/email broadcasts and social media tools – LinkedIn groups and Facebook.

Continued partnership with the Novi Chamber, #5D

On March 22, 2012 the Novi Chamber hosted their annual business expo at the Novi Civic Center. This was a better venue and assisted in allowing the Chamber to raise funds for the organization.

The City of Novi also partnered with the Novi Chamber for the Farmers Market which was held at Fuerst Park this past summer. This will no longer be a joint event and will be handed off to Novi's Park and Recreation department for 2013.

Other small business partnership opportunities:

Novi Library Business Resource

The Novi Library has provided excellent programming geared towards the small business community, mainly programs that help business with their marketing efforts. The Business and Company Resource Center is a fully integrated resource bringing together company profiles, brand information, rankings, investment reports, company histories, chronologies, and periodicals. Search this database to find detailed company and industry news and information.

Work Force / Talent Development, Strategy #6

Oakland Job Hub, #6A

This job fair took place at Oakland University on February 23, 2012. This was a collaboration of economic development specialists from several of the cities/townships within Oakland County. Over 80 companies participated with 1,000 job seekers. Three companies from Novi (Ellison Technologies, Harman, Pasona MIC) participated.

Young Entrepreneurs, #6B

This is a strategy that has been discussed within the Novi Chamber this past year and looking to be part of an ongoing discussion for 2013.

Encourage and promote skilled workforce environment, #6C

A skilled workforce environment continues to be debated throughout the region with many organizations looking to close the gap and create a more skilled workforce environment. As part of a current whitepaper (Ara Topouzian was part of this committee) project through the Michigan Economic Developers Association (MEDA), MEDA proposes to establish a working group representing a diverse set of locally-based members of the workforce system, including public, private, education, and non-profit entities.

Attached at the end of this report is a spreadsheet showing some of the top occupations

A framework for the Task Force has been provided through the thoughts of MEDA members across the state. Key issues for Task Force consideration include:

- Encourage employers to actively engage in workforce development. Placing employers in the role of training employees in work-specific skills, with the tools necessary to make the effort successful, would ensure accountability for workforce development.
- Encourage Michigan employers to develop and implement on-the-job training and retraining programs, following 'training the trainer' and journeyman – apprentice models.
- Make manufacturing cool again, beginning with middle school.
- Incent Michigan graduates to remain in state.
- Develop a data-driven analysis of Michigan's workforce. Economic developers continue to struggle in attempts to adequately explain the skills of their existing workforce.
- Provide accurate information on the relationship between business and labor.

Year in Review



Tognum America opens its new corporate offices with a tour to city officials (Aug., 2012)



Mayor Gatt activates natural gas-fueled Combined Heat and Power plant (CHP Solutions) for Tognum (Nov, 2012)



City officials join Blair Bowman as he broke ground for the new Hyatt Place adjacent to the Suburban Collection Showplace (June, 2012)



Hyatt Place construction in progress for a Spring/Summer, 2013 open. (Oct., 2012)



Wasabi Steakhouse, one of several new restaurants that opened in 2012 (Feb., 2012)



Macprofessionals unveils their new state-of-the-art 45,000 sq. foot headquarters (Jan., 2012)



Rebirth of the Novi Town Center included the opening of several new retail stores and restaurants including Wal-Mart this past summer



Mayor Pro Tem David Staudt and City administration congratulated Tokai Rubber Industries (TRI) Technical Center on their tenth anniversary in Novi, Michigan.

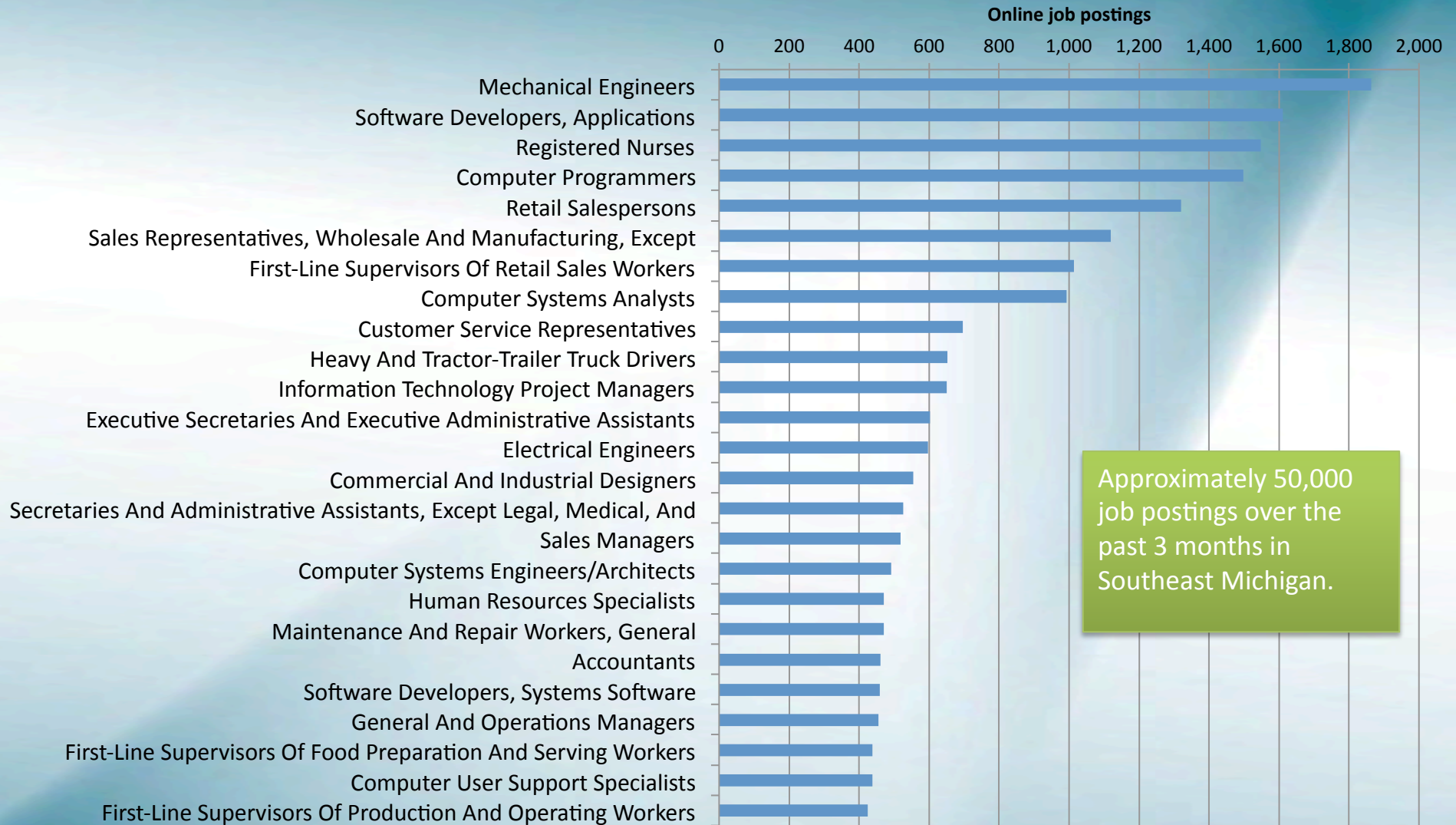
2012 New Business List

COMPANY NAME	TYPE	MOVE IN	FT Empl	TERMS	SF OCCUPIED
Ron Storm Insurance Agency	<i>Farmer's Insurance Rep</i>	Jan	3	Lease / 3 yr	996
DFCU Financial	<i>Banking</i>	Jan	11	Lease	5,133
Soma Intimates	<i>Retail</i>	Jan	2	Lease	1,984
Wal-Mart	<i>Retail</i>	Aug	150	Lease	297,728
Applied Imaging	<i>Document Imaging</i>	Jan	30	Lease	22,828
Brotherhood of Main. Of Way Employees	<i>Non Profit</i>	Jan	2	Own	17,972
USA 2 Go	<i>Convenience Store/Gas Station</i>	Jan	2	Lease	68
Tim Horton's	<i>Restaurant</i>	Jan	2	Lease	3,664
EMCO Maier Corp.	<i>Manufacturing</i>	Jan	6	Lease	6,000
Stryker Corporation	<i>Medical</i>	Jan	44	Lease / 5 yr	10,250
CheckNGold	<i>Retail</i>	Jan	2	Lease	1,249
Aegis Group Search Consultants	<i>Healthcare Executive Search Firm</i>	Jan	6	Lease	1,200
Suite Sweat Sauna Studio	<i>Sauna Studio/Spa</i>	Feb	2	Lease	
MedFresh Café	<i>Restaurant</i>	March	1	Lease	1,883
Pro Martial Arts	<i>Martial Arts</i>	March	1	Lease	6,595
Northville-Novi Family Medicine	<i>Medical</i>	March	2	Lease	
Dry Goods	<i>Retail</i>	March	4	Lease	4,314
Natural Health Massage Therapy	<i>Health</i>	March	2	Lease	1,118
Tumi	<i>Retail</i>	March	2	Lease	1,499
Penning Group, Advisors + Attorneys	<i>Attorneys</i>	April	0	Lease	150
Managed Medical Review Organization	<i>Medical case review</i>	April	15	Own	8,040
Phyl's Barber Styling	<i>Retail</i>	April	1	Own	2,800
Kistler	<i>Automotive Supplier</i>	April	20	Own	20,782
Renesas Easton America, Inc.	<i>Semi-conductor</i>	Apr	37	Lease	10,638
Golfsmith	<i>Retail</i>	May	5	Lease	30,000
Dr. Warren Vallarand	<i>Dentist</i>	May	3	Lease	2,519
Northbrook Psychological Clinic PLC	<i>Health</i>	May	4	Lease	2,018
Chicken Now	<i>Restaurant</i>	May	1	Lease	701
Microchip	<i>Technology</i>	May	2	Lease	7,661
Marlee's by Tappers	<i>Retail</i>	May	5	Lease	1,439
Windsor Store	<i>Retail</i>	June	2	Lease	3,247
Biotech Clinical Laboratories	<i>Medical</i>	July	100	Own	17,605
Cool Cuts for Kids	<i>Salon</i>	July	2	Lease	958
Alexandria Mediterranean Cuisine	<i>Restaurant</i>	July	2	Lease	2,760
Performance Psychology	<i>Health</i>	July	2	Lease	1,186
Broad-Ocean	<i>Automotive Supplier</i>	July	3	Own	23,896
The Art of Shaving	<i>Retail</i>	Aug	2	Lease	1,275
Ladies Garage Haircuts for Men	<i>Salon</i>	Sept	6	Lease	763
Ulta Salon	<i>Retail</i>	Sept	20	Lease	10,860
Big Frog T-Shirts	<i>Retail</i>	Sept	3	Lease	1,250
One Training Inc.	<i>Training</i>	Sept	2	Lease	5000
National Energy Foundation	<i>Non Profit</i>	Sept	1	Lease	258
Wasabi Japanese Steakhouse	<i>Restaurant</i>	Sept	18	Lease	7600
The Big Salad	<i>Restaurant</i>	Sept	1	Lease	2,000
Melexis	<i>Automotive Supplier</i>	Sept	10	Lease	6,427
Vitality Nutrition	<i>Retail</i>	Sept	2	Lease	
Eberspacher - expansion	<i>Automotive Supplier</i>	Sept	70	Lease	6,650
Maurices	<i>Retail</i>	Sept	2	Lease	
The Pod Drop	<i>Service</i>	Sept	2	Lease	900
Spritz Fragrance	<i>Retail</i>	Sept	2	Lease	1,200
Southfield Pediatrics	<i>Medical</i>	Oct	35	Lease	2,330
Sears Outlet	<i>Retail</i>	Oct	13	Sub-Lease	5,000
Robert Bosch LLC	<i>Automotive Supplier</i>	Oct	140	Lease	44,685
Florida Men's Medical Clinic LLC	<i>Medical</i>	Oct	2	Lease	2,347
Abednego Environmental Services	<i>Environmental Services</i>	Nov	11	Lease	10,127
Antea USA	<i>Environmental Services</i>	Nov	2	Lease	5,150
Dots @ Novi Town Center	<i>Retail</i>	Nov	3	Lease	4,035
Okuno International Corporation	<i>Automotive Supplier</i>	Nov	2	Lease	4,160
Tilted Kilt	<i>Restaurant</i>	Dec	40/110	Lease	8,000
JD Racing Indoor Karting	<i>Entertainment</i>	Dec	2	Lease	30,728
Anytime Fitness	<i>Health</i>	Dec	2	Lease	5,500
Torrid @ Novi Town Center	<i>Retail</i>	Dec	2	Lease	2,978
Plato's Closet @ Novi Town Center	<i>Retail</i>	Dec	1	Lease	4,175
rue21@ Novi Town Center	<i>Retail</i>	Dec	3	Lease	4,470
Dress Barn @ Novi Town Center	<i>Retail</i>	Dec	2	Lease	6,585
Honeybaked Express	<i>Restaurant</i>	Dec	4	Lease	

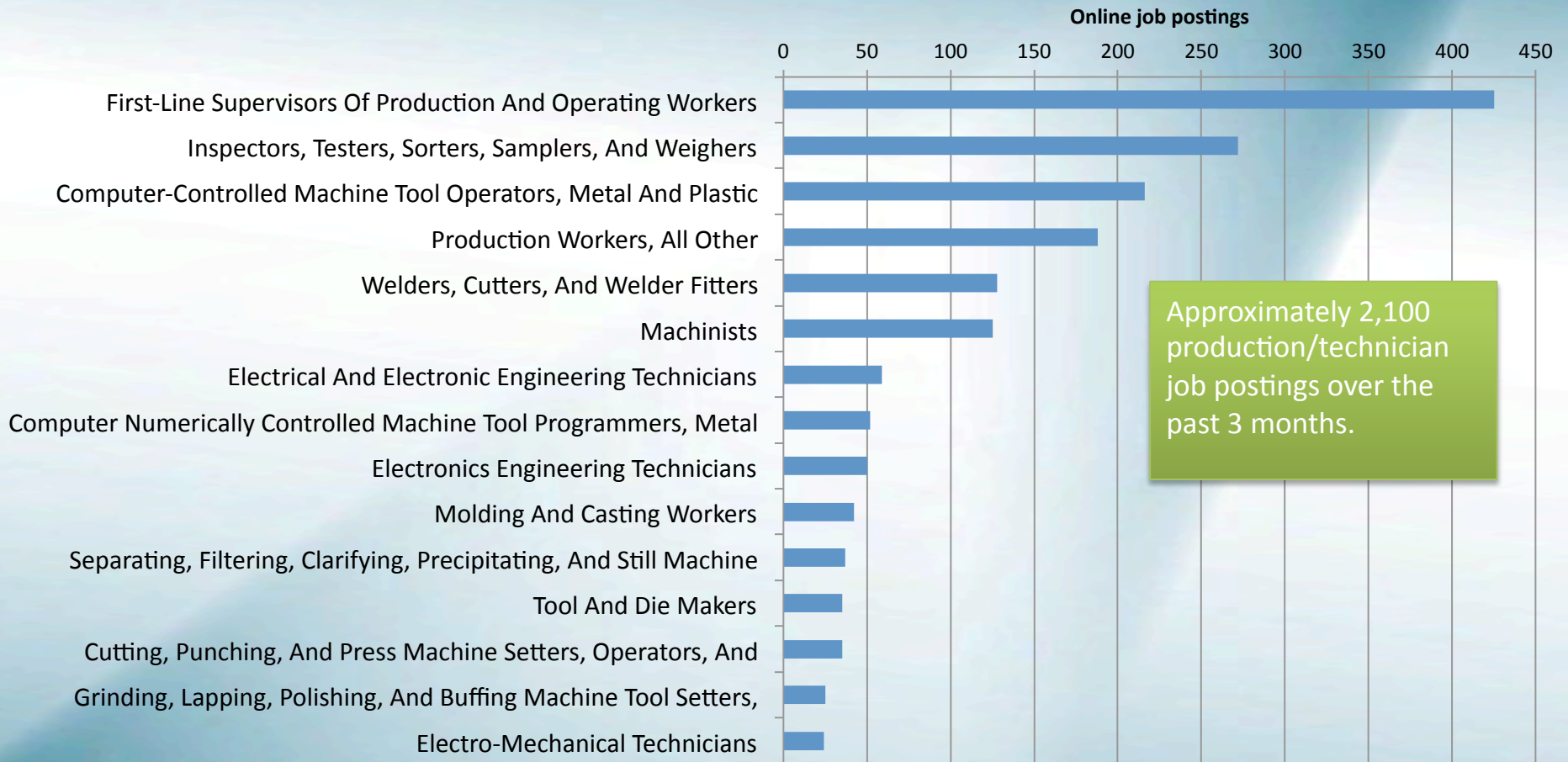
Total Full Time Employees: 843 408 (2011)

Total Square Footage Occupied: 705,334 444,594 (2011)

Top occupations in SE MI



Job postings for technicians/skilled trades in SE MI (8/29/12-11/26/12)



Job postings for engineers/designers in SE MI (8/29/12-11/26/12)

