



CITY COUNCIL AGENDA ITEM

August 4, 2010

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, City Manager
 John M. Lamerato, Assistant City Manager/Finance & Administration
 Mark F. Miller, Acting Assistant City Manager/Economic Development Services
 Pamela Valentik, Economic Development Specialist

SUBJECT: Economic Development Activity Report – July, 2010

Below is an update on the City's economic development activities. In some situations, the projects are in preliminary stages and the company is not prepared to share this information publicly, thus we have left out the name of the company. Please contact the City Manager's Office if you have any questions.

BUSINESS ATTRACTION:

Genesis10

A business consulting and technology staffing company, Genesis10 chose Michigan over competing states of Missouri and Florida to open a new development center in Troy. The company will be located at 2800 Livernois and plans to invest \$2.2 million and hire 296 people over the next five years.

Jewelry Love

Positive news for Rochester Road! A brand new jewelry store is opening at 3330 Rochester Road, located on the corner of Torpey Drive – right in the middle of the construction project. Owned by Fred Webster, Jewelry Love offers customers a reasonably priced selection of fine gold, sterling silver, precious gemstones and estate jewelry. The store also has great plans to get involved in the community and work with local charitable opportunities.

Projects currently being worked on:

- Prepared a proposal for an automotive company to relocate their existing Technical Center to Troy. Project would include the purchase of a building
- In discussions with a German company considering Troy for their expanded Michigan operations. Project would include some job creation and long term lease with the option to purchase.

- In discussions with a German company considering Troy for their expanded IT/Technical offices. Project would involve some job creation.

BUSINESS EXPANSION AND RETENTION

Inteva Products, Inc.

The former Delphi interiors division, located at 1401 Crooks Road, was purchased by Inteva a few years ago and has seen some steady growth. With plants in two other cities in Michigan, their Troy facility acts as the company's World Headquarters and Technical Center. Increased sales have led the company to need to hire additional engineers. On July 20th, Inteva received approval from the MEGA Board for a MEGA tax credit. Troy anticipates receiving an application for a personal property tax abatement. The company has a long term lease signed for the Crooks facility and anticipates creating 44 highly-skilled jobs within the next five years.

ArvinMeritor

For years, Troy has been fortunate to host ArvinMeritor's World Headquarters and Technical Center. A complete upgrade to their Technical Center will involve a \$10 million investment in the plant facility and \$9 million in new machinery and equipment. The company will also create 101 new jobs. On July 20th, the company received approval from the MEGA board for a MEGA tax credit and Troy City Management anticipates receiving an application for a P.A. 198 plant rehabilitation and personal property tax abatement.

Creative Breakthroughs, Inc.

Currently based in Troy, this IT Security & Consulting business has been rapidly growing its national customer base. The company needs to hire 100 highly-paid IT consultants within the next five years and has been trying to determine the best location to expand these operations. On July 20th, the MEGA board approved a MEGA tax credit for Creative Breakthroughs, Inc to expand their operations in Troy, Michigan.

Projects currently being worked on:

- Currently working with a Troy-based IT firm to consider their expansion plans for Troy, Michigan versus North Carolina and California. The project will involve a long-term lease in a larger facility and some jobs created.
- Currently working with an automotive supplier in Troy to locate their consolidation plans in Troy.
- Met with a German-owned software development company that is considering expanding their North American operations in their Troy office.

OUTREACH INITIATIVES

Business Solutions Professional Program

Offered through a partnership between DELEG, MSU and the MEDC, the Business Solutions Professional Program is an initiative to coordinate business attraction and retention efforts between local economic developers, workforce development agencies and education. Staff attended an 8-session program that identified the goals of communities and organizations to service the businesses and employers within their community and identify resources available to help companies avoid closure and attract strong companies to locate within the area. Participation in the BSP Program will provide staff with a direct link to programs, incentives and resources to maintain a solid business community and create jobs in the area.

Take Off With Troy

The City of Troy has partnered with Walsh College and the Troy Chamber of Commerce to offer this program to small businesses within Troy looking to grow to the next level. Take Off With Troy will offer the expertise of professional teams (including attorneys, accountants, bankers, marketing consultants and IT consultants) who will conduct assessments and provide recommendations for Troy-based small businesses. The program has already secured its professional teams (known as "Flight Crews") and is currently in the process of selecting two Troy businesses (known as "Pilot Companies") who will receive access to this advisory group free of charge.

City Manager's Roundtable Meetings

The City Manager will begin to hold monthly breakfast meetings with Troy business owners to gather insights on how Troy can enhance its business attraction and retention environment. The meetings will be conducted at the community center and a limited number of business owners, with similar business profiles, will be asked to attend to keep the conversation productive for all participants.