County Administrator's Digest

County of Ottawa
Administrator's Office
12220 Fillmore Street
West Olive, MI 49460
(616) 738-4068
avanderberg@miottawa.org
www.miottawa.org

January 13, 2012 Alan G. Vanderberg, County Administrator

ECONOMY

This Digest has shaped up to be more of an economic update with most items relating to the economy in some way.

MICHIGAN SENATE HEARING

Last week's Digest included information on an upcoming hearing to be held at the Fillmore Complex on Monday, January 16 on Agribusiness issues. The press release follows:

FOR IMMEDIATE RELEASE: Wednesday, Jan. 11, 2012

Agricultural Businesses to Call for Stronger Infrastructure at Hearing

EAST LANSING Leading businesses in Michigan agriculture will shine a spotlight on how improved infrastructure can strengthen agriculture, create new opportunities and grow jobs when they testify Monday before a committee convened by Sen. Arlan Meekhof in West Olive.

The challenge for Michigan agriculture, which has remained strong even in tough economic times, is how we continue growing in a global economy with skyrocketing demand for food, fuel and fiber "and the key is making sure we have strong, reliable infrastructure," said **Jim Byrum**, president of the **Michigan Agri-Business Association**. The need to make sure we have good roads and bridges, a modern and reliable freight rail network that can serve businesses in rural communities, a steady supply of workers for a range of agricultural jobs and up-to-date wireless technology so farmers in the field are always connected. These are essential for rural growth, opportunity and development, and ultimately critical for Michigan economic success.

Meekhof will hold the hearing on agricultural growth, challenges and opportunities on Monday, Jan. 16, from 1 p.m. to 3 p.m. at the Ottawa County Administrative Offices, 12220 Fillmore Street, West Olive.

Testifying at the hearing are: Adam Geers of **Michigan Agricultural Commodities**, Newaygo; Jim Doyle of **King Milling**, Lowell; Tim Boals of **Wilbur-Ellis**, Spar-

ta; Brian Brink of **Brink Farms**, Hamilton; Dave Boerema of **Michigan Rail and Storage**, Grand Rapids; and Jim Shea of **PK Construction**, Troy.

Meekhof is the Senate Floor Leader and sits on the Senate natural resources and Great Lakes, government operations, and local government and elections committees.

CREDIT RATING CALL – FITCH RATINGS

Bob Spaman and I had an hour long credit ratings interview with an analyst from FitchRatings earlier this week. The rating should be issued by early next week. We have maintained the AAA rating, FitchRatings top, through this bad economy though the last rating had a negative outlook status attached due to the drop in taxable value. Though taxable value is still going down, the rate has slowed considerably and we hope that that fact plus the significant increase in jobs along with the resulting drop in County unemployment rate will cause Fitch to drop the "negative outlook" tag on our rating.

UPJOHN INSTITUTE OTTAWA COUNTY ECONOMIC FORECAST

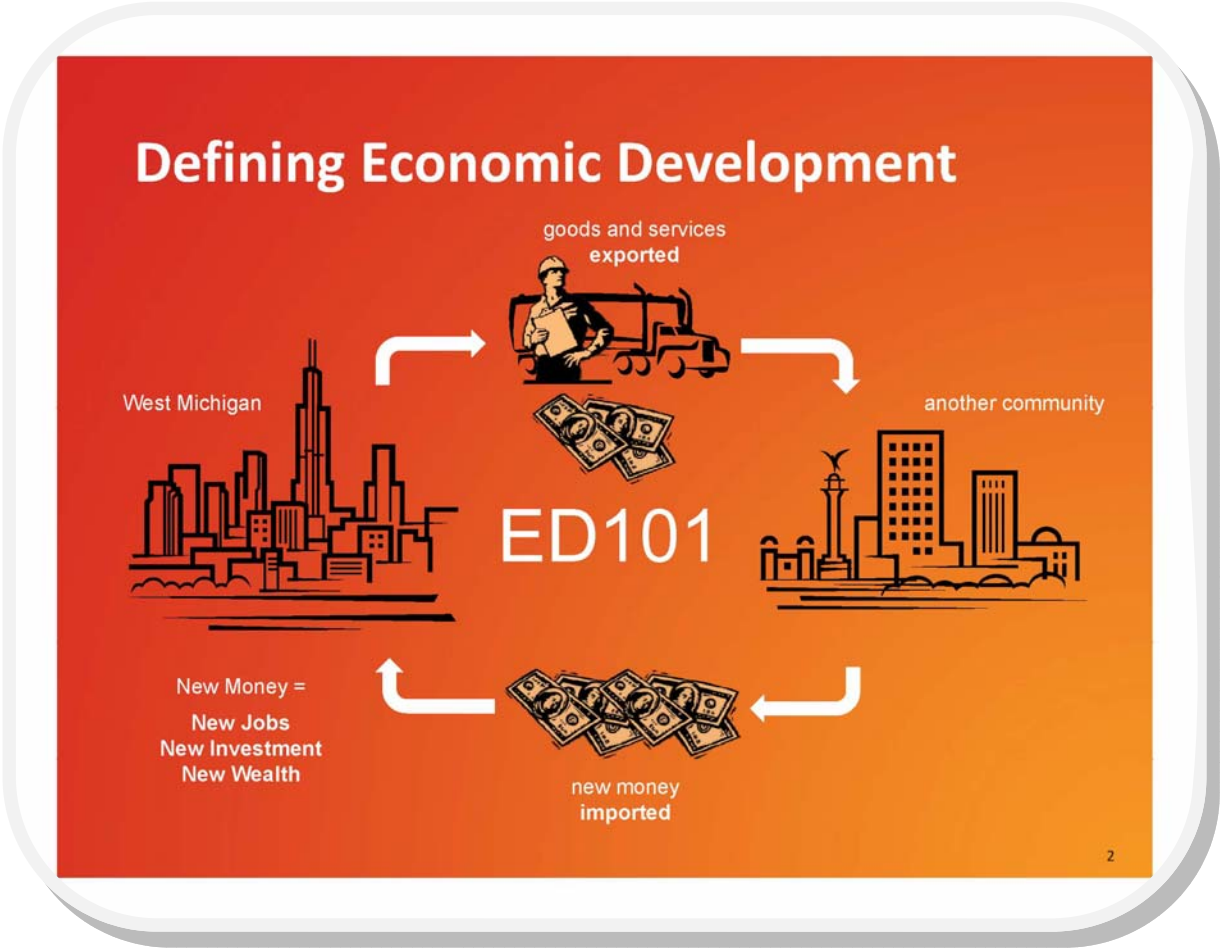
Ottawa County was well represented at the Holland Chamber breakfast earlier this week where George Erickcek, economist with the Upjohn Institute gave his annual Ottawa County economic forecast. The forecast noted the drop in Ottawa County unemployment to 6.5% and significant increases in both manufacturing and service jobs. Erickcek predicted that housing would remain flat for 2012 and even perhaps 2013. His report showed governmental sector employment in the County increasing again in 2011. I asked him how this could be when cities, villages, townships and the County have reduced positions significantly in recent years. He said that the increase is due to how statisticians treat the Allendale and Grand Rapids campuses of Grand Valley State University. Public schools, colleges and universities are included in the governmental sector data, not just local governments.

Ottawa County worked hard with our federal legislative delegation to recombine Kent, Ottawa and Muskegon counties in the same MSA. The key point was the fact that just under 25% (but over 24%) of the Ottawa County workforce traveled to Kent County for jobs each day. If the number is over 25% then it is likely the MSA's would be combined. The number of Ottawa job commuters to Kent is now 29%. This is important because many larger scale projects do not look at MSA's of less than one million population due to assumptions about services and quality of life being more abundant in the larger MSA's. Local economic developers have confirmed this as an important consideration.

Erickcek's power point presentation follows below (click here). The forecast also spurred articles in the Grand Rapids Press (click here) and the Detroit Free Press (click here) and those follow below.

BIRGIT KLOHS GVMC QUARTERLY MEETING PRESENTATION

Right Place Executive Director Birgit Klohs was the speaker at the GVMC Quarterly Meeting on Monday. Her presentation was titled "Advancing the West Michigan Economy." The following ED 101 slide is a great depiction of the economic development process and the rest of her presentation follows below (click here).



OCEDO UPDATE

Ken Rizzio, Executive Director of the Ottawa County Economic Development Office provides excellent update letters that Bob Spaman and I use for our credit rating interviews. I've included the letter that we used earlier this week below (click here). I found the job growth rankings for the Holland-Grand Haven MSA (Metropolitan Statistical Area) of great interest. Ken also sent along a couple of articles that were done on the positive developments with Saturn in Coopersville (Federal grant propels Saturn Electronics to add 90 jobs in Coopersville), (Saturn Electronics and Engineering delivers 3 times expected jobs after $500,000 state grant) and an article on Ottawa job growth leading the nation (Ottawa tops the list of U.S. counties gaining the most jobs between June 2010 and June 2011).

STATE CONSENSUS REVENUE ESTIMATING CONFERENCE (Bob Spaman)

I attended the conference earlier today at the State Capital Building. The general message at the conference was much more upbeat than in recent years. At the state level, FY 2011 was a banner year with a 14.8% increase in GF-GP revenue and a 4.0% increase in School Aid Fund (SAF) revenue for a 8.5% increase overall. This was led by income tax revenues up 16.3% and sales tax revenue up 8.5%. The income tax increases are expected to be more in the 4 to 5% range in FY2012 thru Fy2014. The sales tax growth is expected to be in the 2 to 3% range in the same period. The new Corporate Income Tax (CIT) that replaced the Michigan Business Tax (MBT) did not fully replace the amount collected from MBT; however, did exceed expectations. The State Education Tax (SET) declined 4.8% in FY2011 due to the declining home values and is expected to decline over 1% in 2012 before slight increases in FY2013 and FY2014.

So the revised January 2012 revenue consensus for GF-GP revenue is up $278 million from the May 2011 consensus or 2.5% higher than FY2011 revenues. The School Aid Fund is up $138.3 million from the May 2011 consensus but still down 4.3% from FY 2011 revenues. The FY 2013 is up $216.3 million as well with FY2014 thru FY 2016 showing 2.2%, 3.2% and 4.2% in each of those years for GF-GP revenues. This is the first year since 2000 that there was a consensus of increases in revenues by all parties in GF-GP revenues.

On global news, there are serious concerns on two fronts that could slow the economy. The most serious is the European crisis and the ripple effect to the US while oil prices are also inhibitors in Gross Domestic Product (GDP) growth for the US. On the Federal level, there are many issues that could affect the state and thus trickle down to the County. Grants to the states are going down by 2.7% this year and possibly 6 to 7% per year in successive years. Other concerns include national debt growth, fiscal and monetary policies, lack of action this year due to the 2012 elections and several other lesser items.

Unemployment is not expected to decrease substantially in the US in the near term. There will be a faster reduction in unemployment at the state level due to the uptick in the auto industry. Private sector employment is expected to increase in Michigan while the public sector is expected to decrease employment in the next three years a roughly a 1% decrease per year.

Housing starts are expected to rise in the next three years but not to the levels of 6-7 years ago. This has been a serious drag on the economy and will be for the near future. Auto sales are very brisk and are expected to be brisk in the next few years. Both are significant drivers in Michigan's economy.

We received the following summary information from GCSI. Attached are the consensus revenue conference projections for the General Fund, School Aid Fund, and pupil levels for Fiscal Years '12 and '13. The Revenue Estimating Conference has projected the FY '12 General Fund will be $278 million over the May consensus, and the School Aid Fund will be $138.3 million over the May projections for a combined total of $416.3 million.

FY '13 projections will add $126.5 million and $89.8 million respectively, for a total of $216.3 million. See the Consensus Revenue Agreement below (click here).

OUT AND ABOUT

We attended brown bag lunches at the Holland District Court and the Ottawa County Courthouse in Grand Haven this week and had excellent conversations and exchange of information in both locations. The brown bag luncheon schedule follows below (click here).

OTTAWA HOSTS SMART MEETING AT FILLMORE COMPLEX

Ottawa is one of 14 counties that make up the Southwest Michigan Alliance Region Three of the Michigan Association of Counties. It was Ottawa's turn to host and the meeting was held here on January 4th. Keith Van Beek, Mark Knudsen, and I did a presentation for the group on our Health Insurance & Wellness plans; change from Defined Benefit to Defined Contribution pension for new hires; intergovernmental collaboration activities; and transparency. The presentation was well received. At the end, Nancy Waters, Muskegon County Clerk, presented me with a sand castle sculpture of a Muskegon area historical building in recognition of the agreement that she and I worked on that allowed Muskegon to pay a monthly fee to utilize the miOttawa.org payment engine and infrastructure for her office to deliver services. Muskegon is now developing its own effort so this agreement ended at the end of December.

The presentation that Mark, Keith, and I did is available on miottawa.org, please click the following link http://www.miottawa.org/CoGov/Admin/.

GVMC HIRES NEW EXECUTIVE DIRECTOR

The Grand Valley Metropolitan Council Board (GVMC) voted Monday to name John Weiss as Executive Director. He will replace Don Stypula whose last day is today. Weiss has a long history of private and public sector accomplishment and currently serves as President/CEO and Chairman of the Board of Design Plus in Grand Rapids. He is also chair of the Kent County Road Commission and Vice Chair of the Grand Rapids Chamber of Commerce. John was also the Cannon Township Supervisor and way back served as City Manager of Coopersville. We certainly welcome John and wish him the best in his new duties and also thank Don Stypula for his energy and passion in GVMC service for many years.

The Economic Outlook for the Holland-Grand Haven MSA

George Erickcek
January 10, 2012
W.E. Upjohn Institute for Employment Research

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A Special Thanks to

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Holland Area Chamber of Commerce

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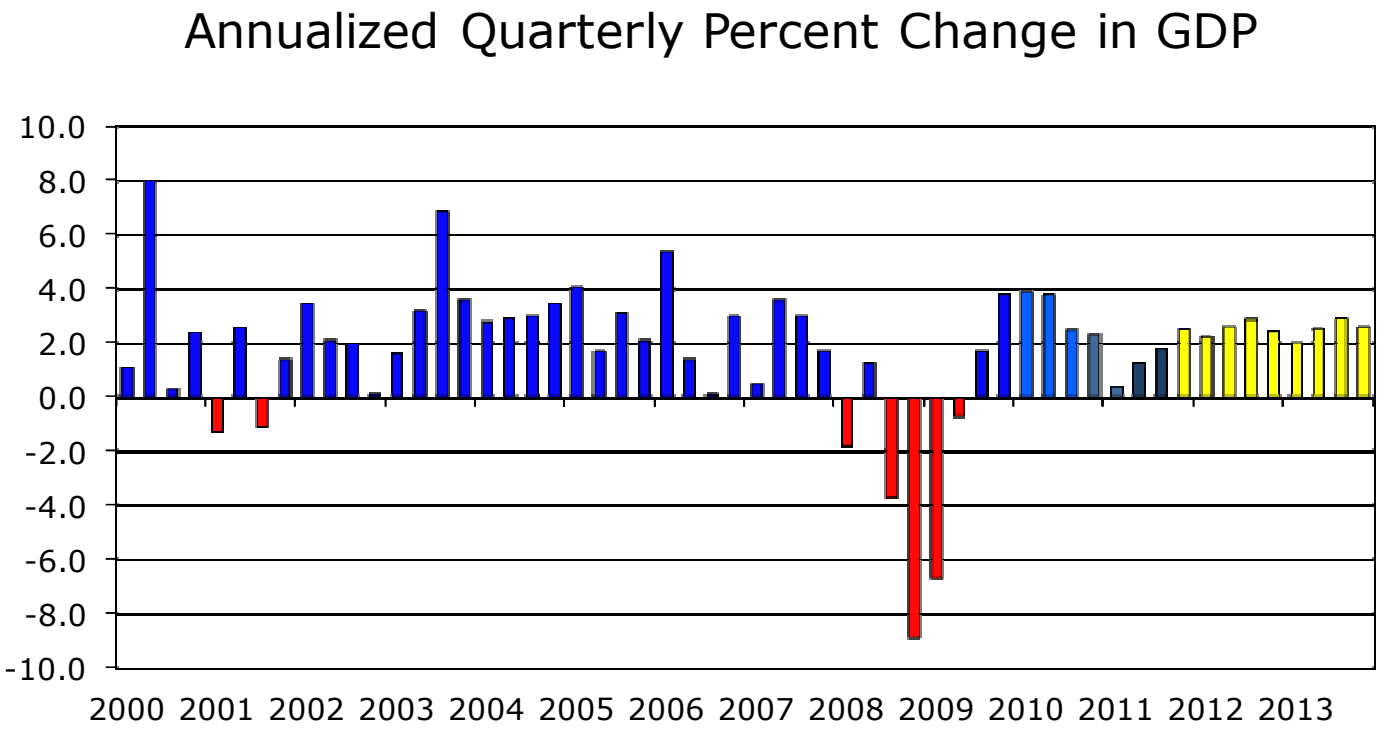
Outline

- National Setting–***It is looking better than just a couple of months ago.***
- Michigan–***Growth has returned thanks to the car industry but unemployment remains high.***
- Ottawa County–***Exceeding expectations***
- 2012 and 2013–***Continued employment growth***
- Random thoughts–***Another look at the region's workforce***

Nationwide, GDP grew by 1.8% in the third quarter, after inching up 1.3% during the second quarter. *And, the forecast is pretty boring.*



Source: BEA, University of Michigan RSQE forecast.

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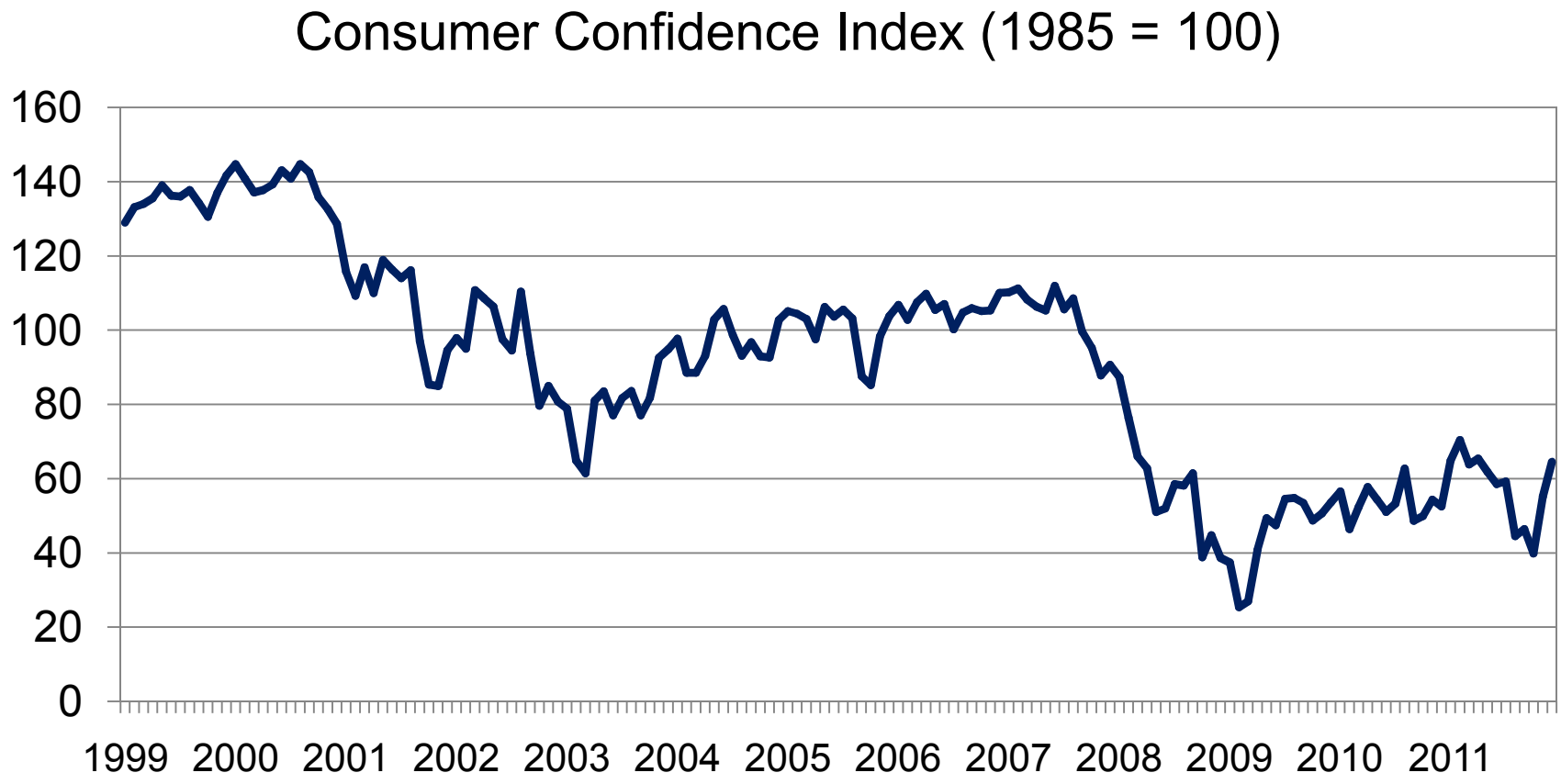
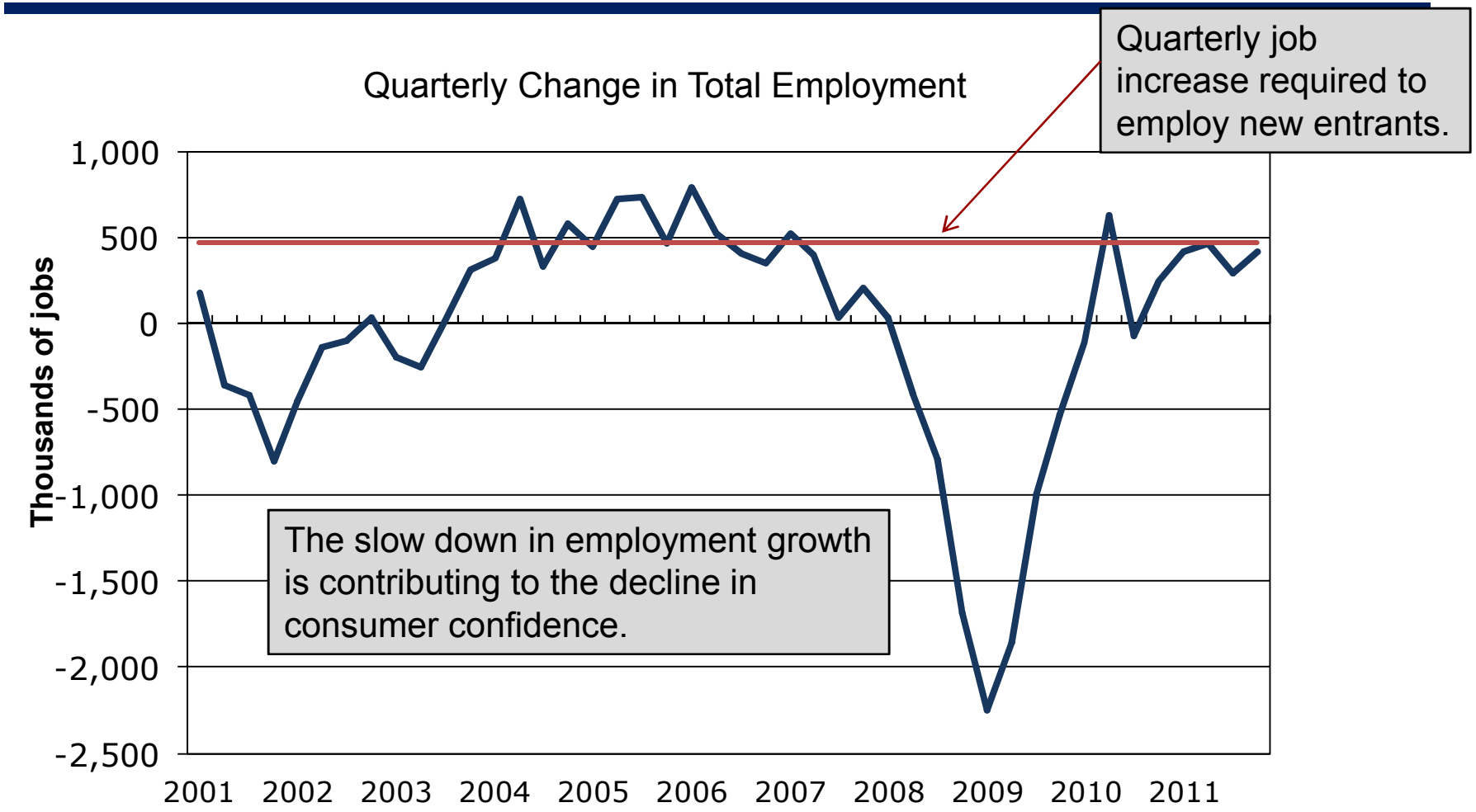
Consumers are still pessimistic; however, they were feeling better at the end of the year.



Source: Pollingreport.com.

Employment increased by 200,000 in December after a 100,000 job gain in November.



Source: Bureau of Labor Statistics (BLS).

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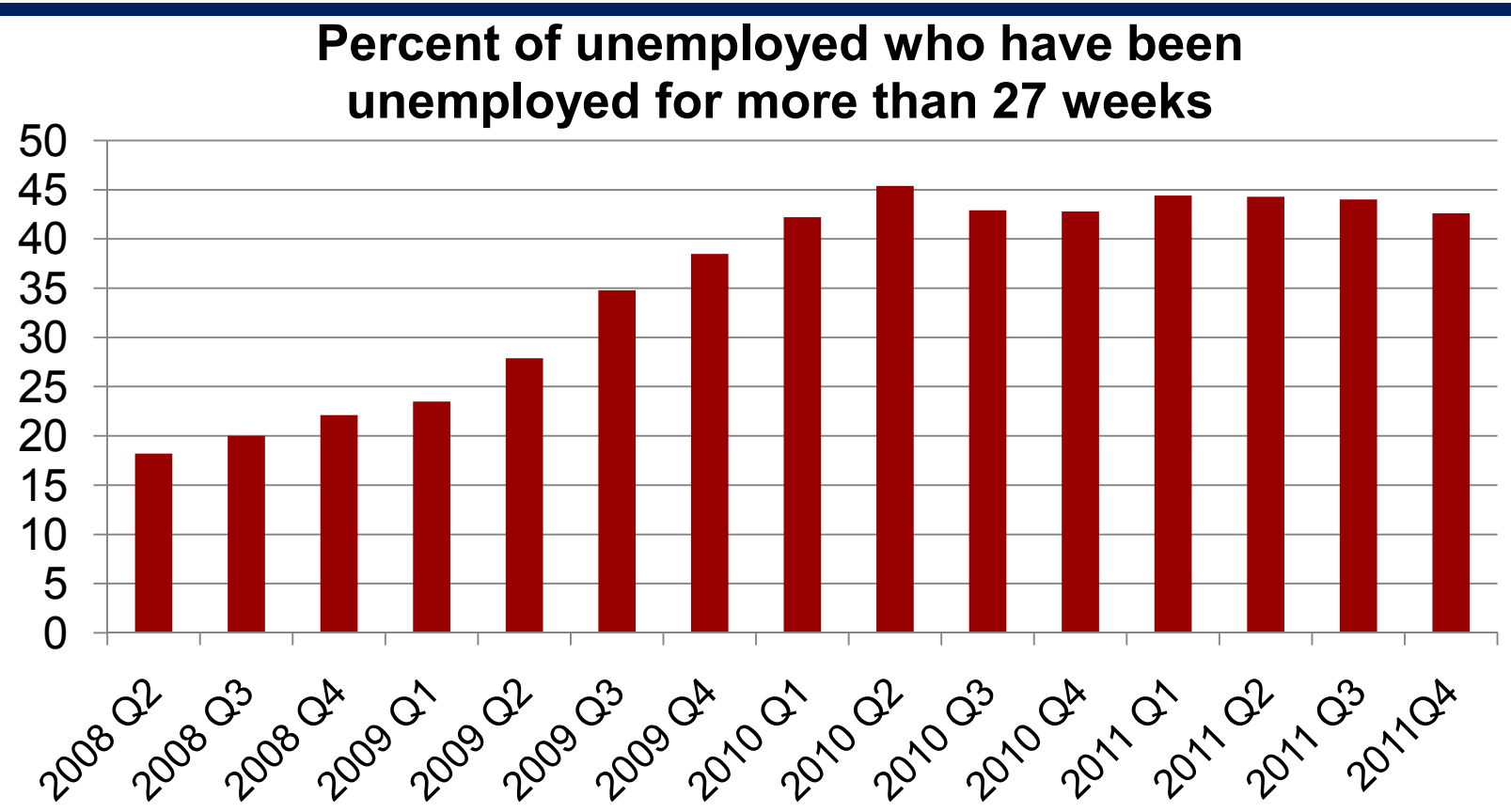
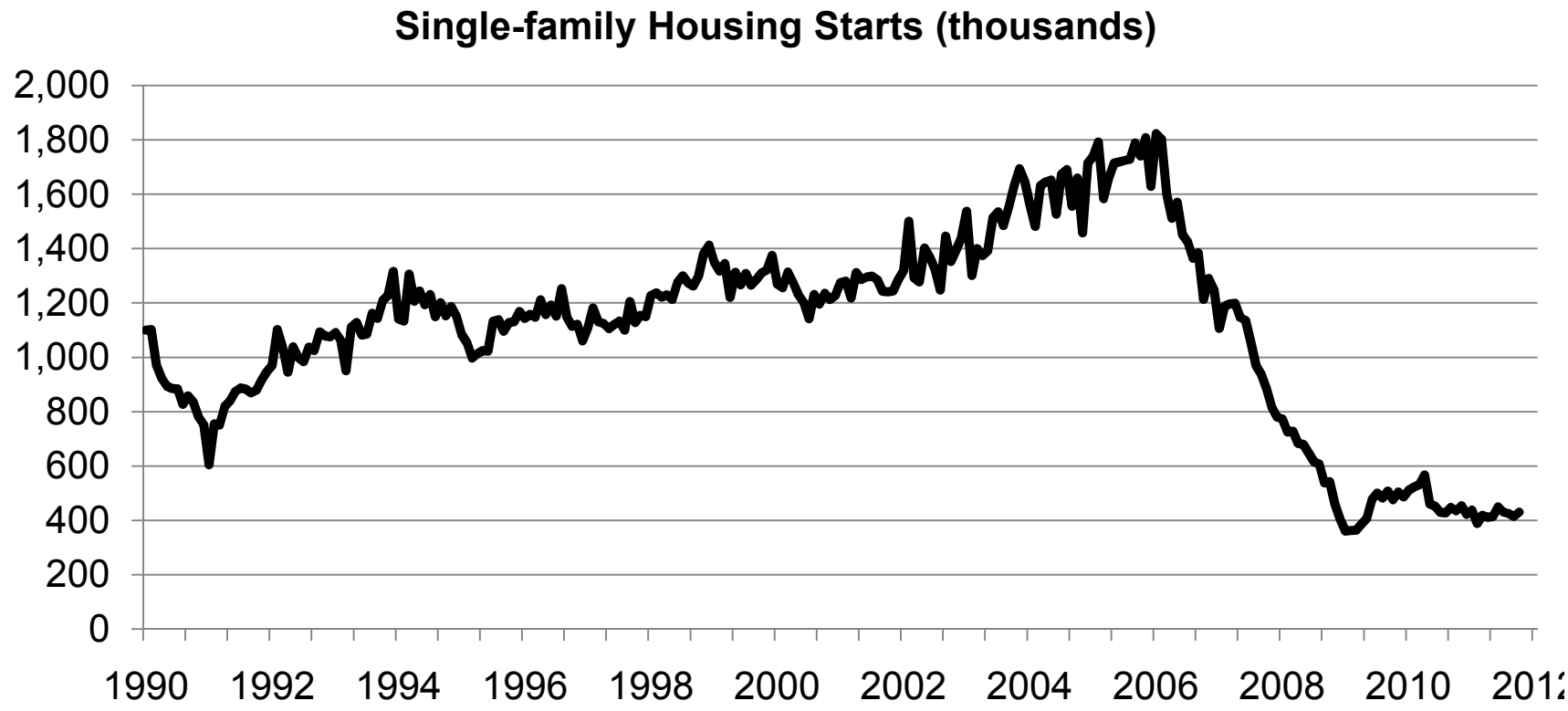
The duration of unemployment has increased dramatically during the recession, and the longer people are out of work the harder it is to find a job.



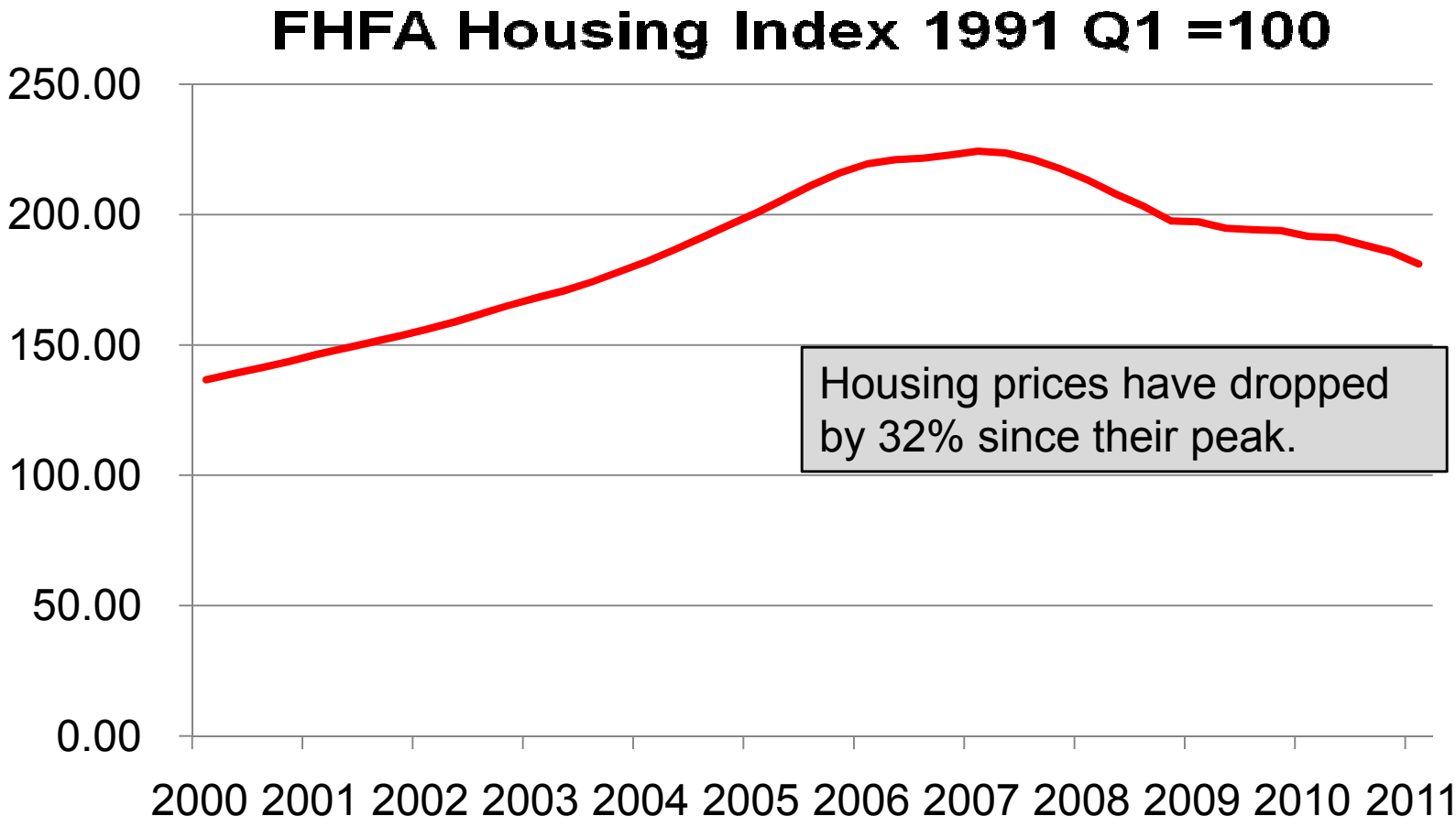
Source: BLS.

Single-family housing starts remain flat.



Source: U.S. Census.

Housing prices are still falling.



Source: Federal Housing and Finance Agency.

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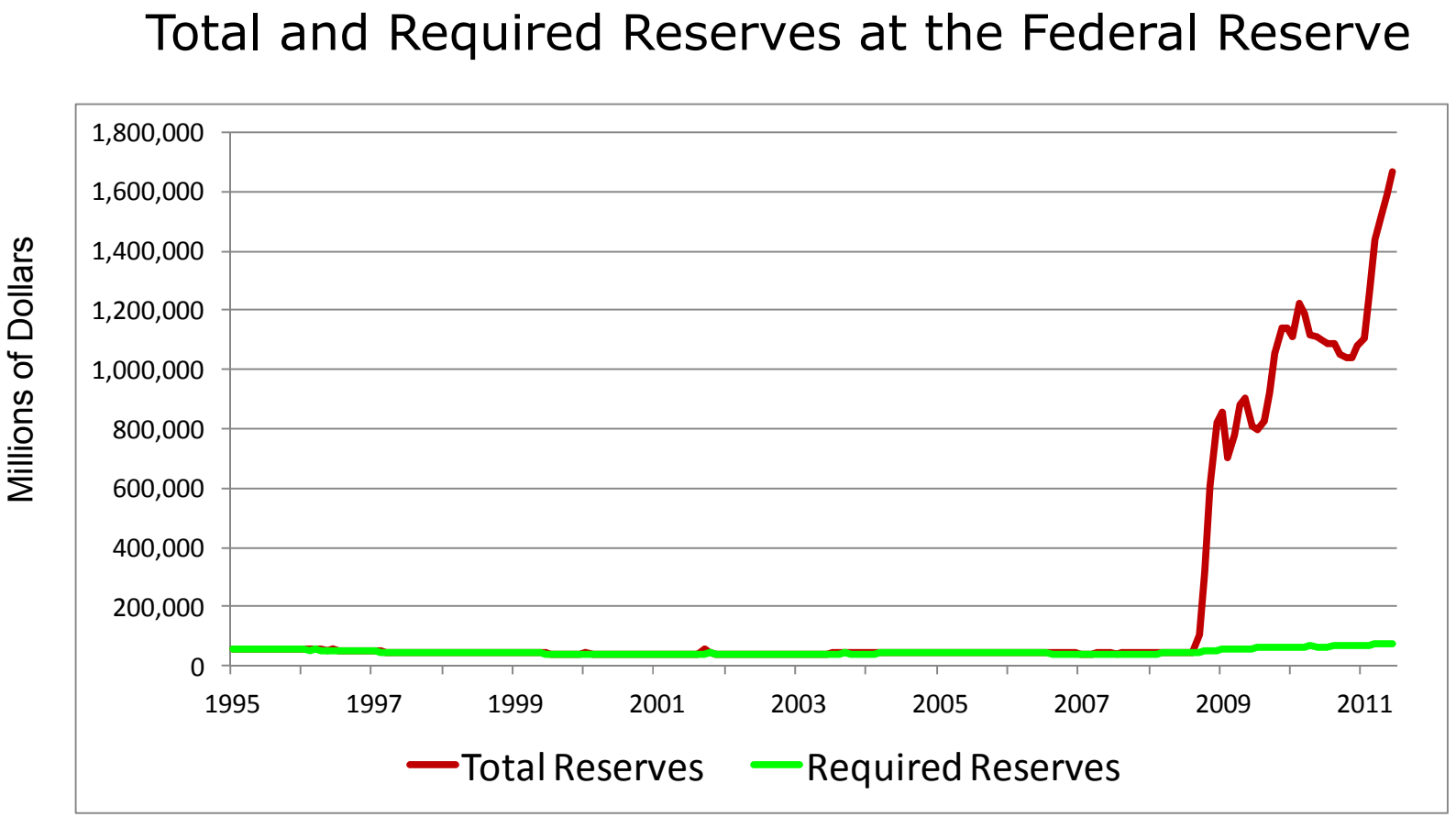
If the engine isn't broken where is third gear?

- Again, the consumer's "heart" is just not into it.
- Federal policy is on hold until the 2012 election.

However:

  - Corporations are holding a lot of cash.
  - Banks are also holding a lot of cash.
  - And interest rates are low.
- The stage could be set for a business investment expansion.

Credit: Banks are still holding more than a trillion dollars in excess reserves.



Source: Federal Reserve.

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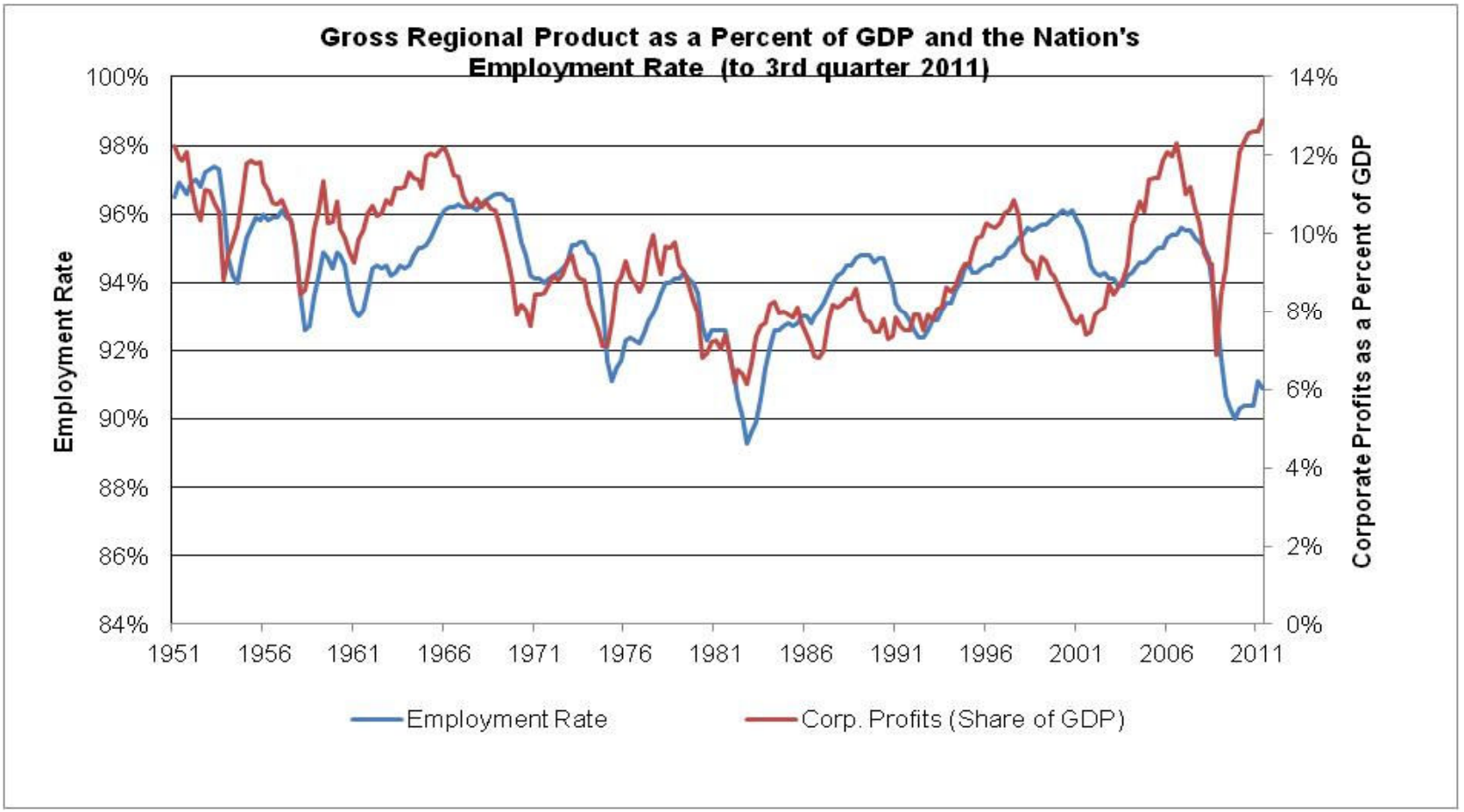
Corporations are making money without hiring workers – A clear break from past years.



Source: BEA and BLS.

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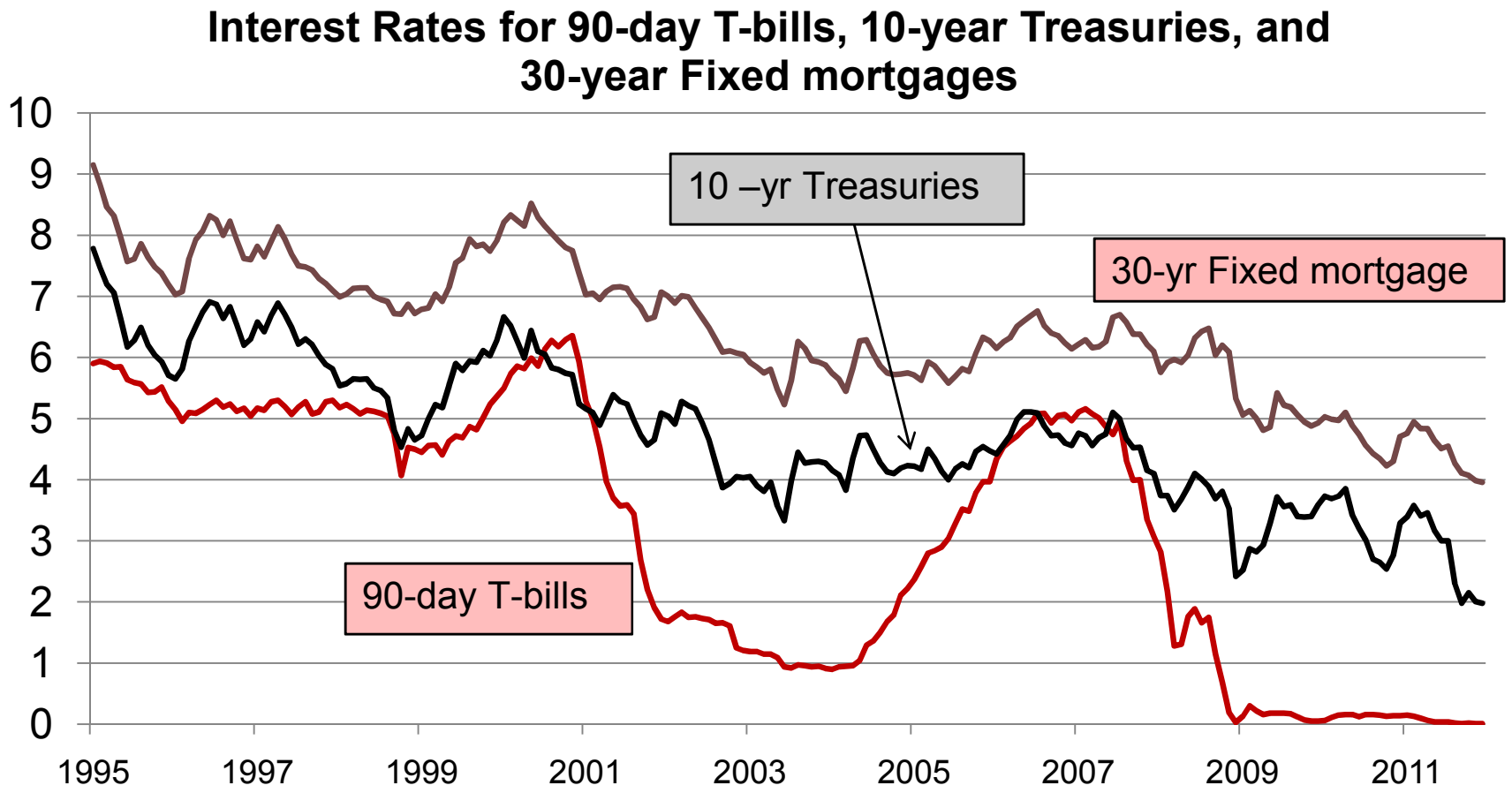
Where do you go from zero?



Source: Federal Reserve.

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Turning to Michigan

- Employment has stabilized.

  During the third quarter, employment was up 1.7% from a year ago, an increase of 64,200 jobs.

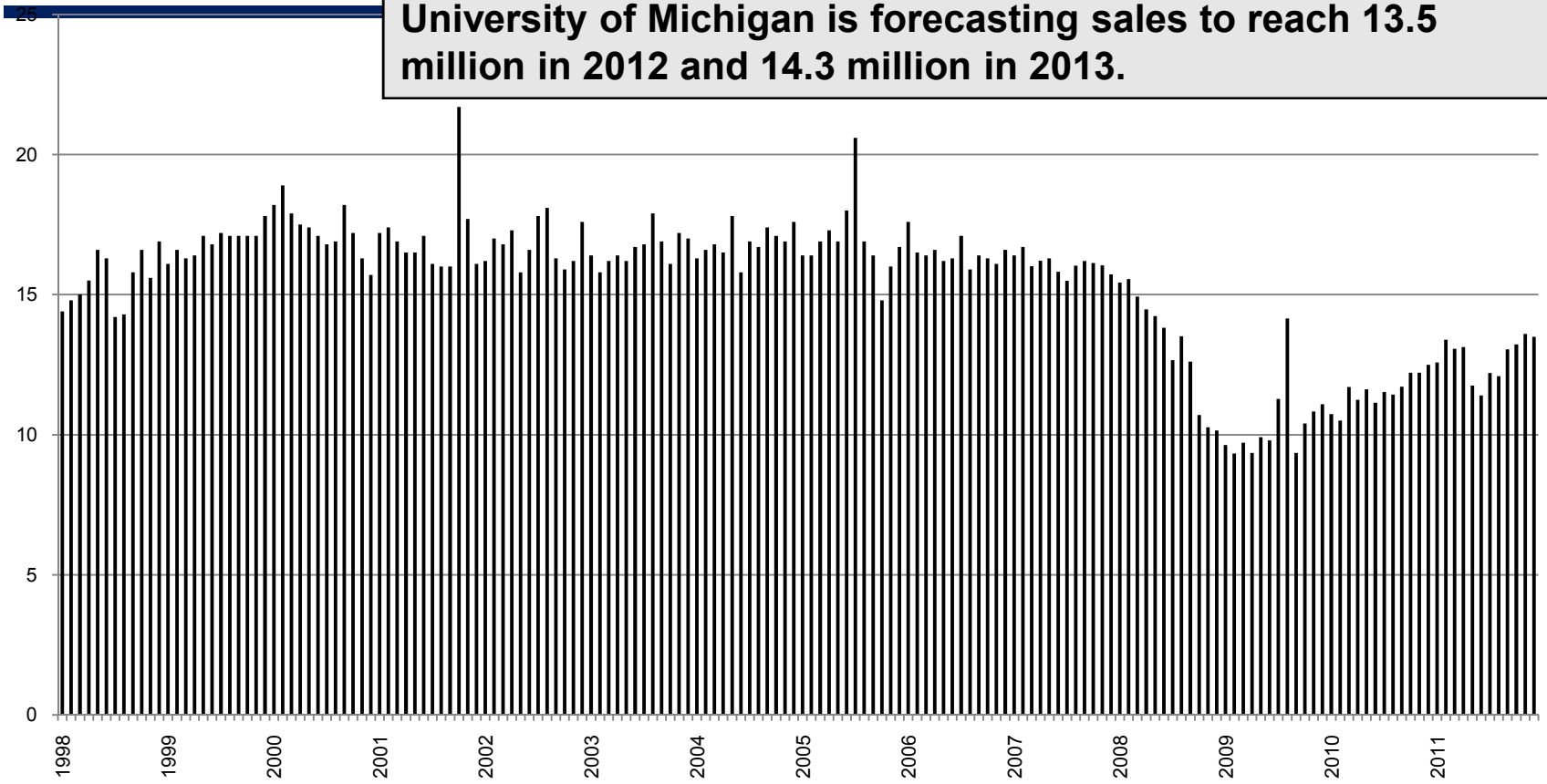
- U of M's Forecast is ***positive***.

  31,500 additional jobs in 2012

  37,200 additional jobs in 2013

Auto deals are continuing to pick up.

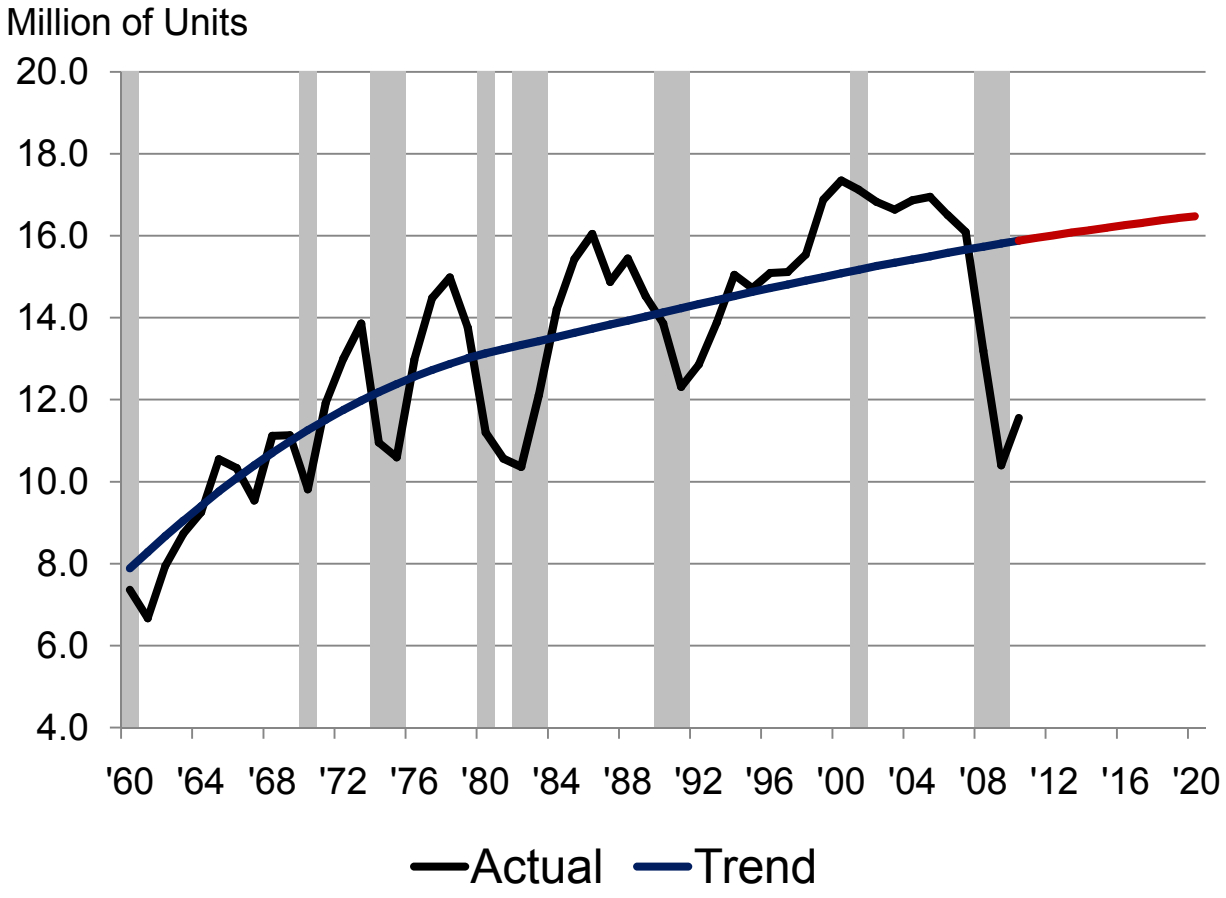
Car and light truck sales reached 12.7 million in 2011. The University of Michigan is forecasting sales to reach 13.5 million in 2012 and 14.3 million in 2013.



Source: BEA.

U.S. Light Vehicles Sales and Trend

Automotive sales and production are highly volatile. Right now, sales and production are well below trend, presaging a significant and sustained rise in production and sales.



Source: Bill Testa, Chicago Federal Reserve.

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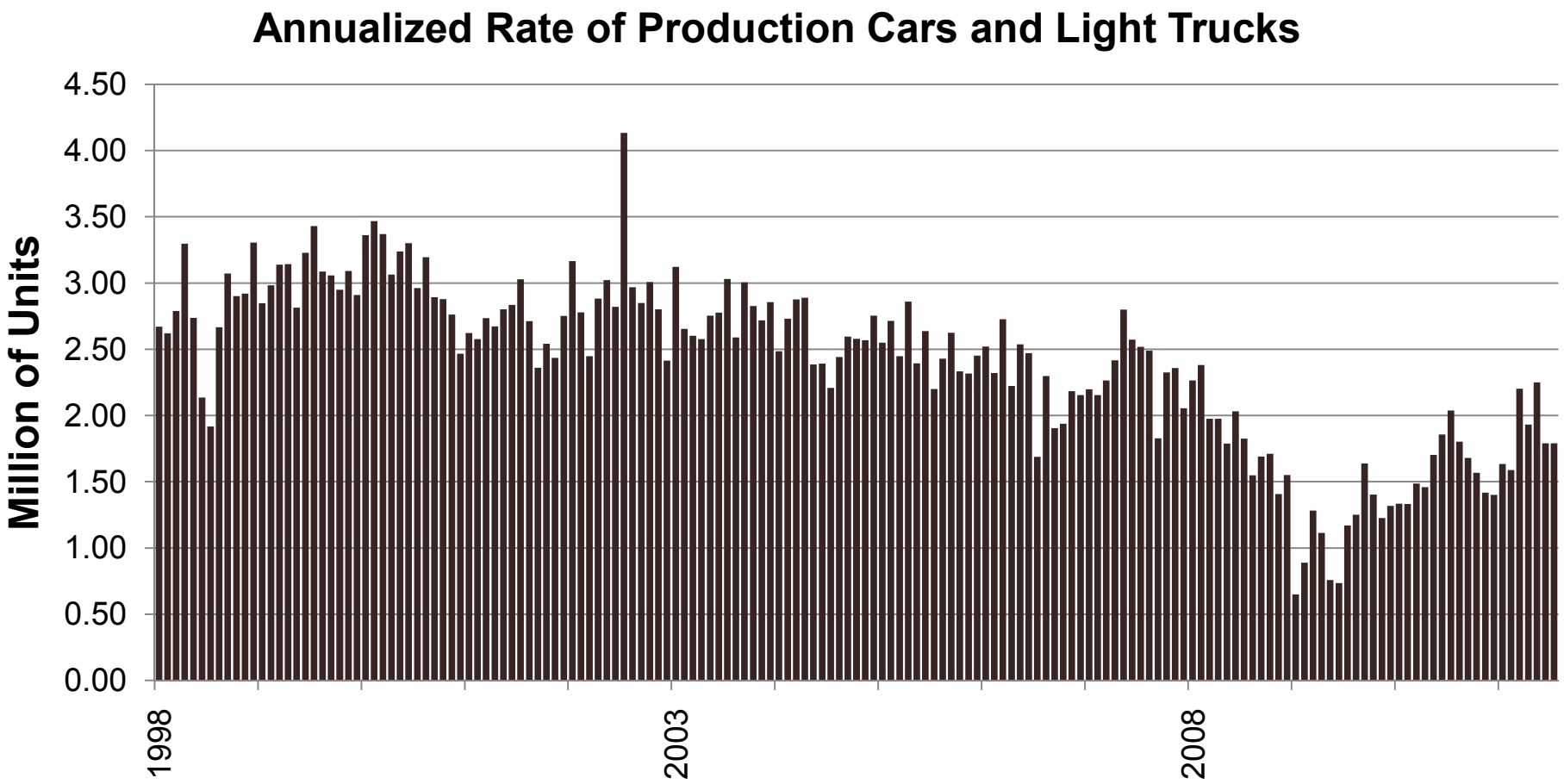
Auto production in Michigan is coming back.



Source: BEA.

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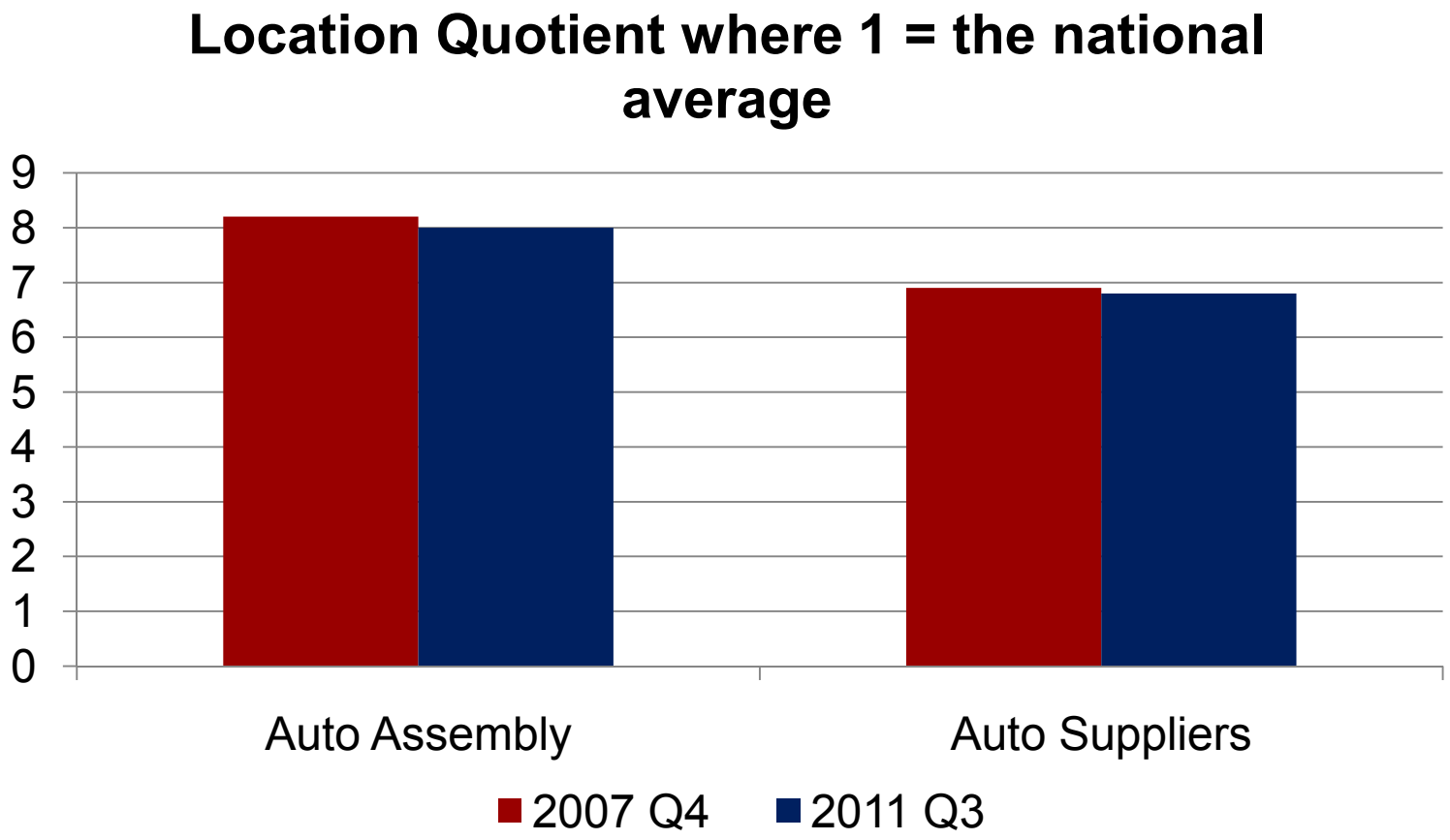
Is the state as auto dependent as before the recession? *YES*



Source: BLS CES.

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Ottawa County

- Robust employment growth in 2011
- Residential construction is still flat; however, population continues to increase.
- The forecast is for more of the same.

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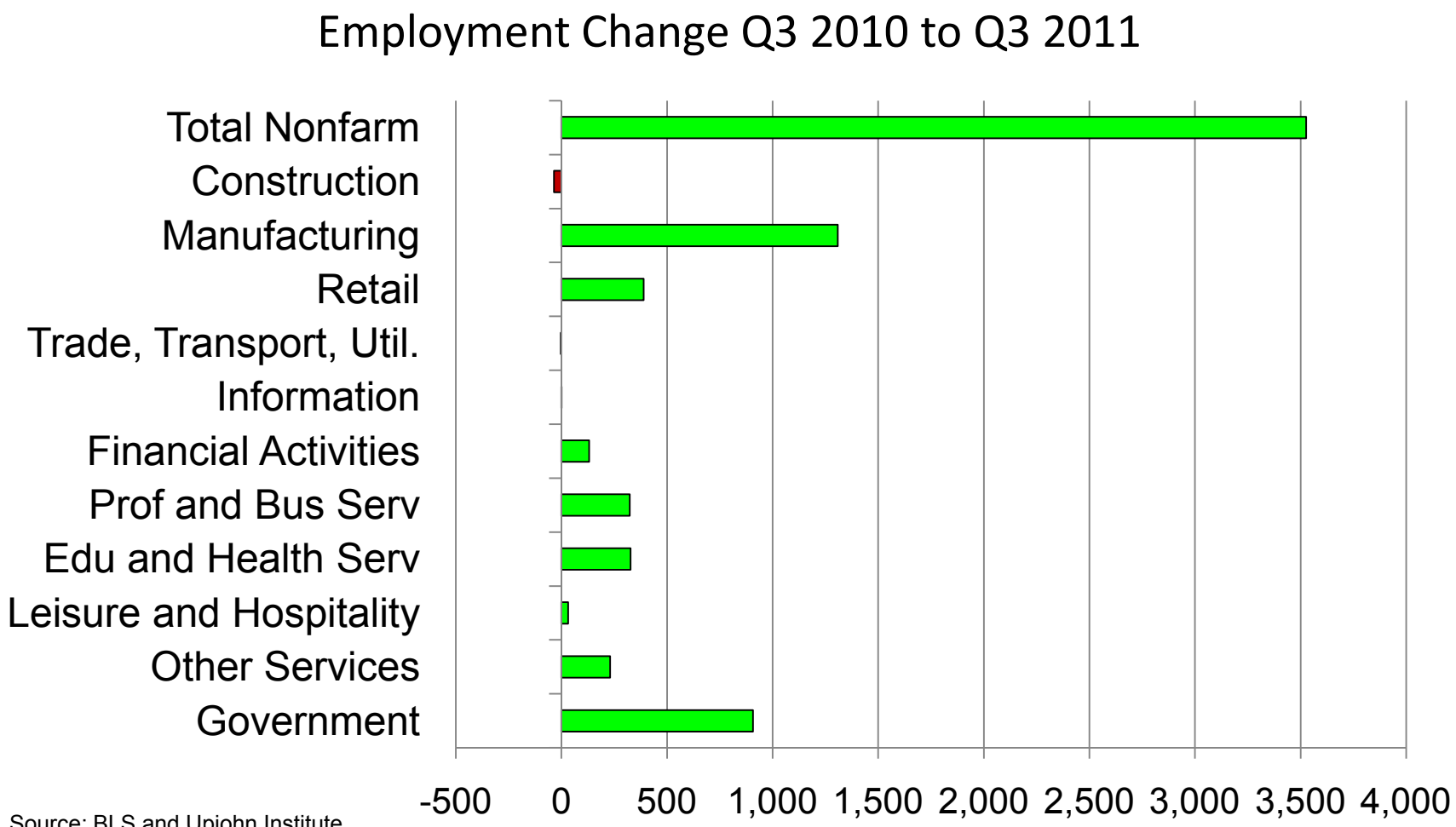
Employment gains were reported across the board except construction.



Source: BLS and Upjohn Institute.

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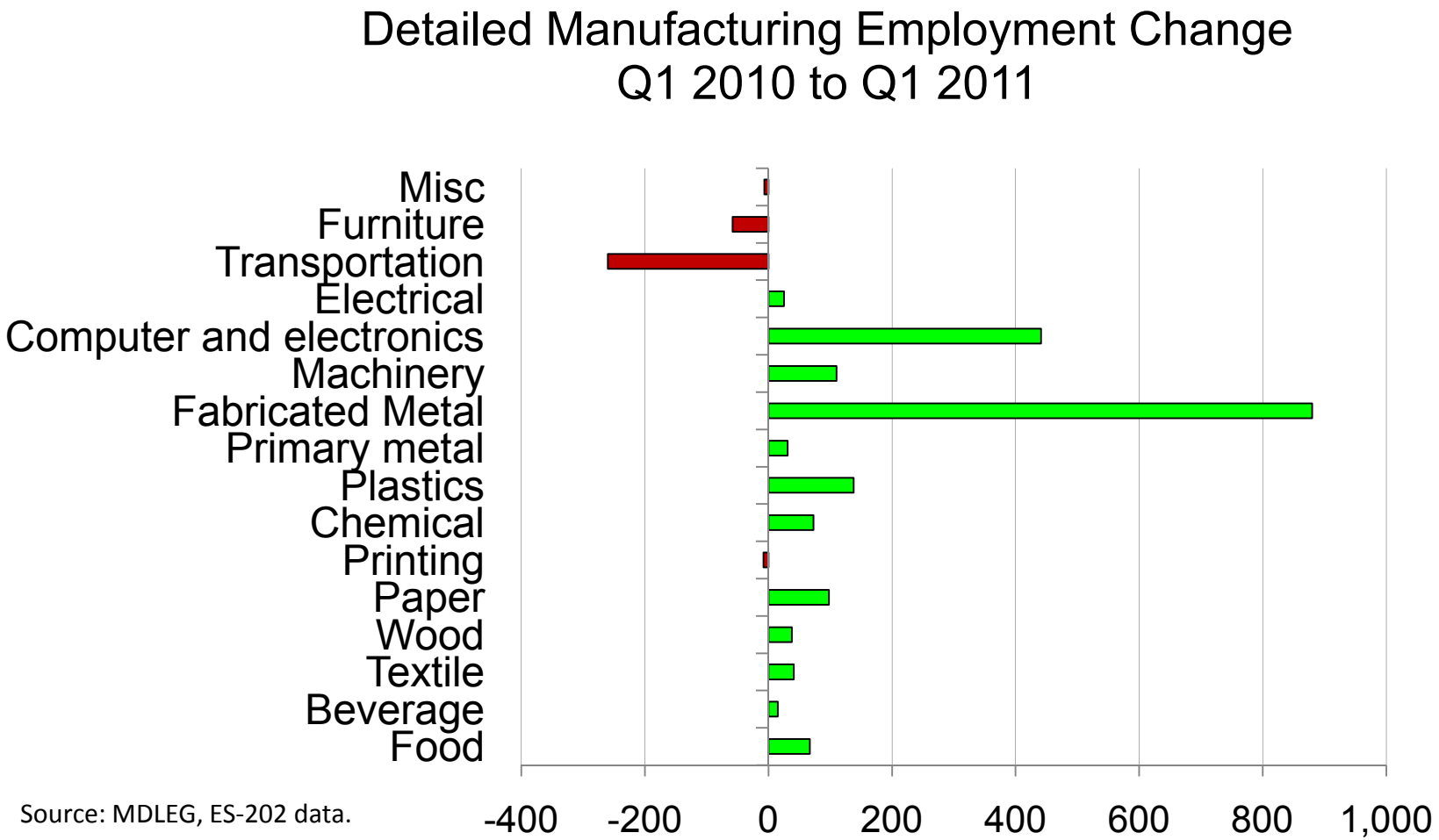
A closer look at manufacturing suggests that it is not all autos.



Source: MDLEG, ES-202 data.

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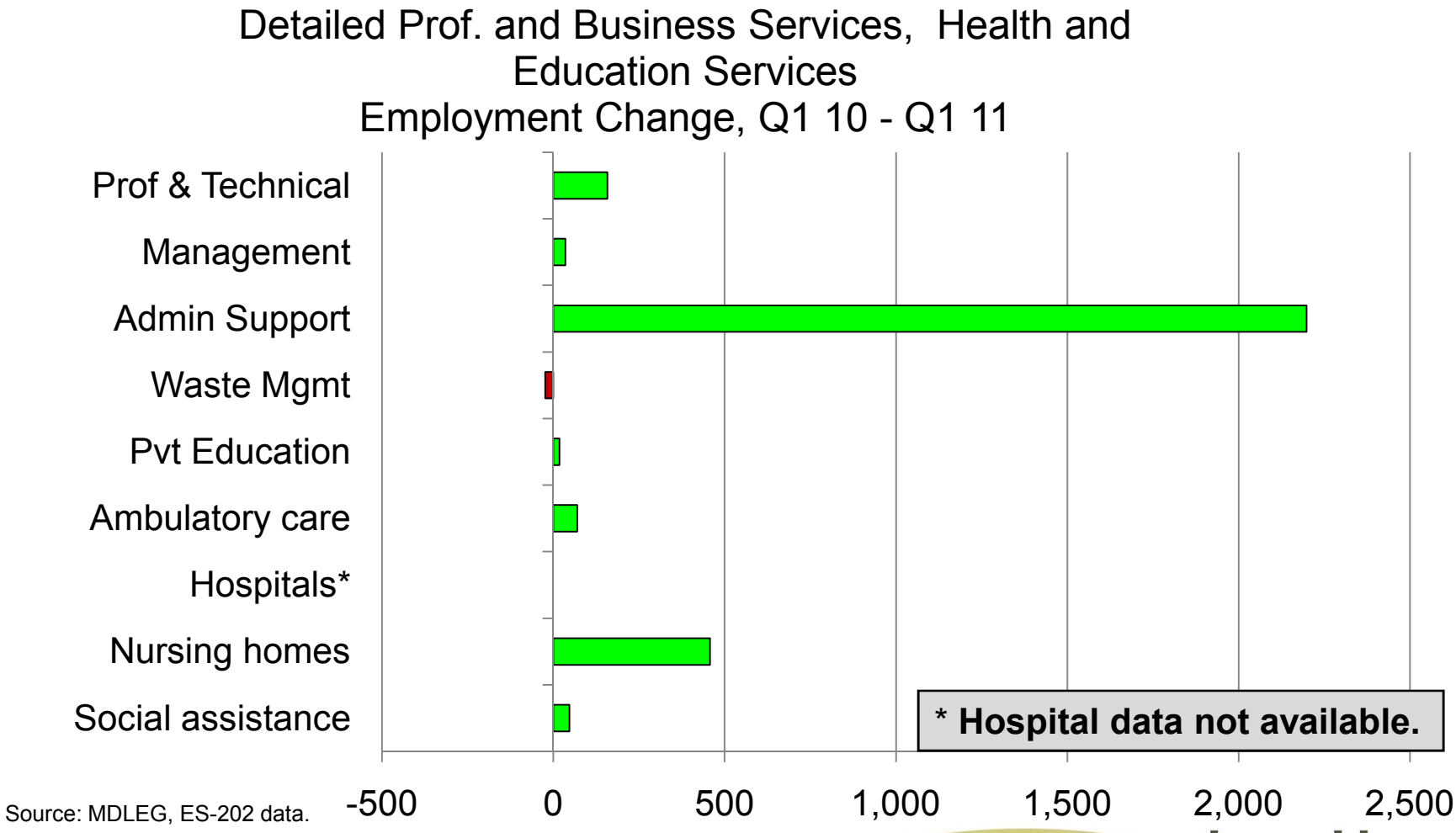
Strong growth in the use of temp workers



Source: MDLEG, ES-202 data.

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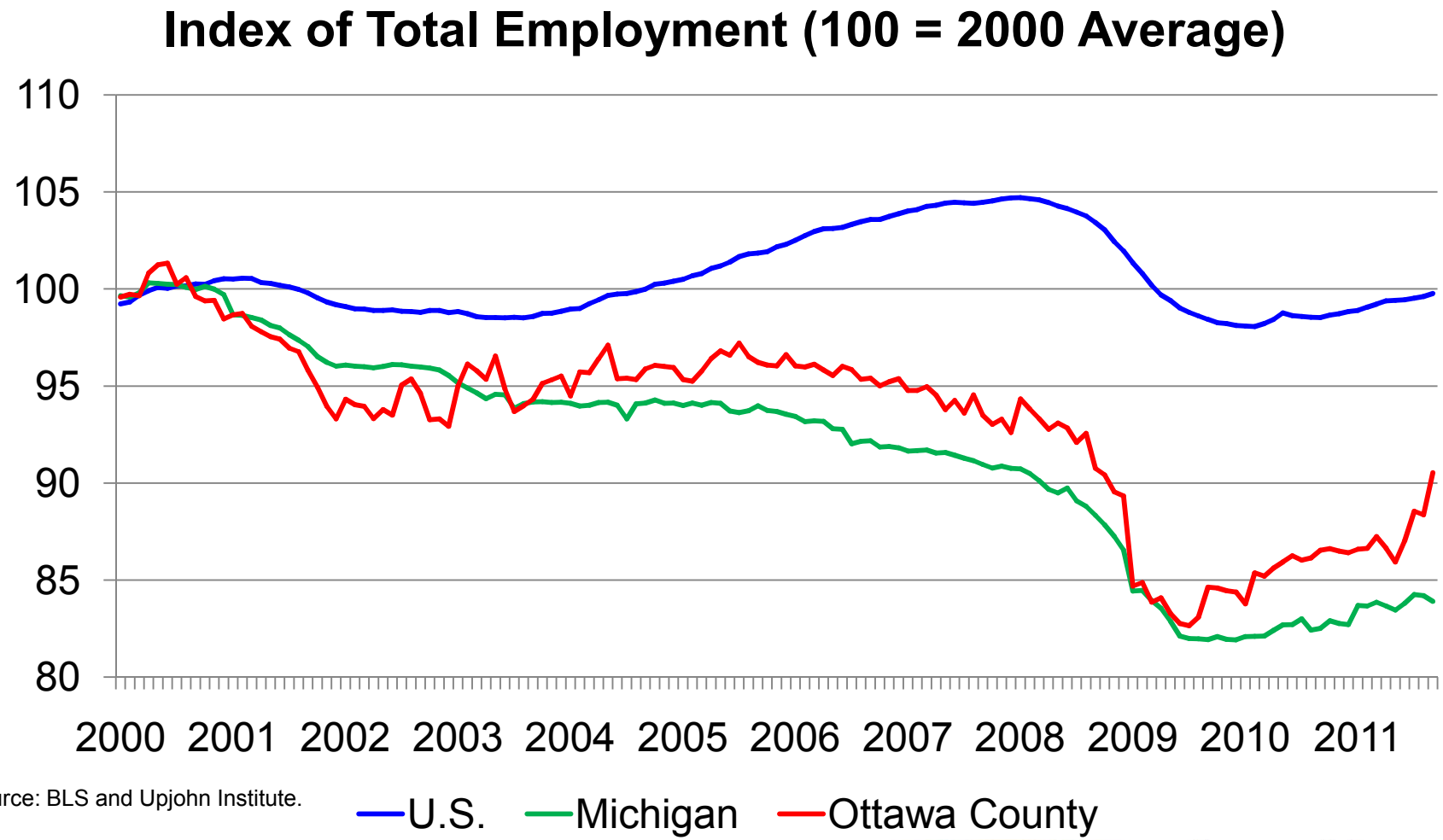
The pick up in Ottawa County is easy to see.



Source: BLS and Upjohn Institute.

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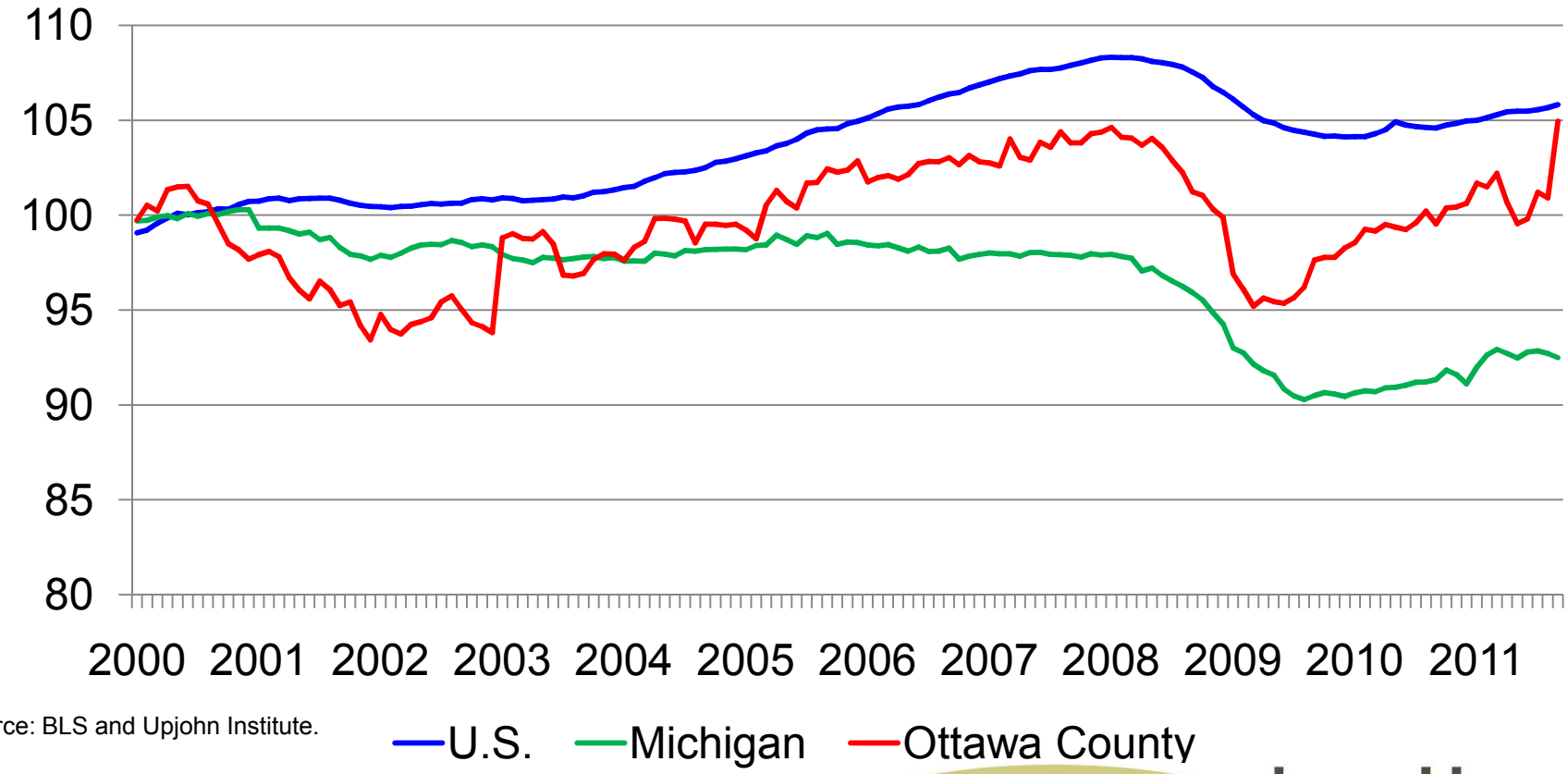
Private service providers have recovered their losses.

Private Service-providing Employment Index
(100 = 2000 average)



Source: BLS and Upjohn Institute.

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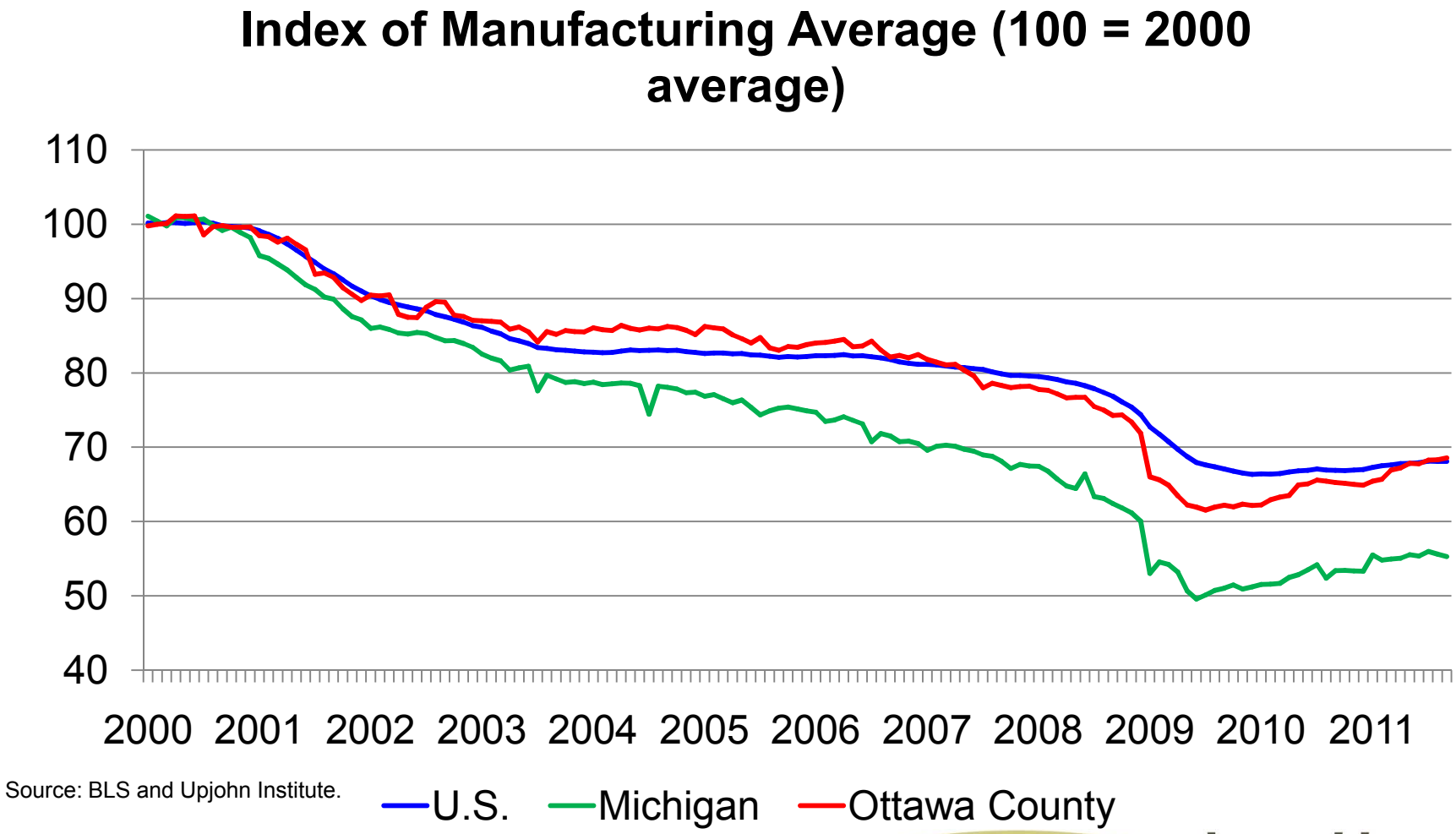
The county's manufacturers are trending with the nation.



Source: BLS and Upjohn Institute.

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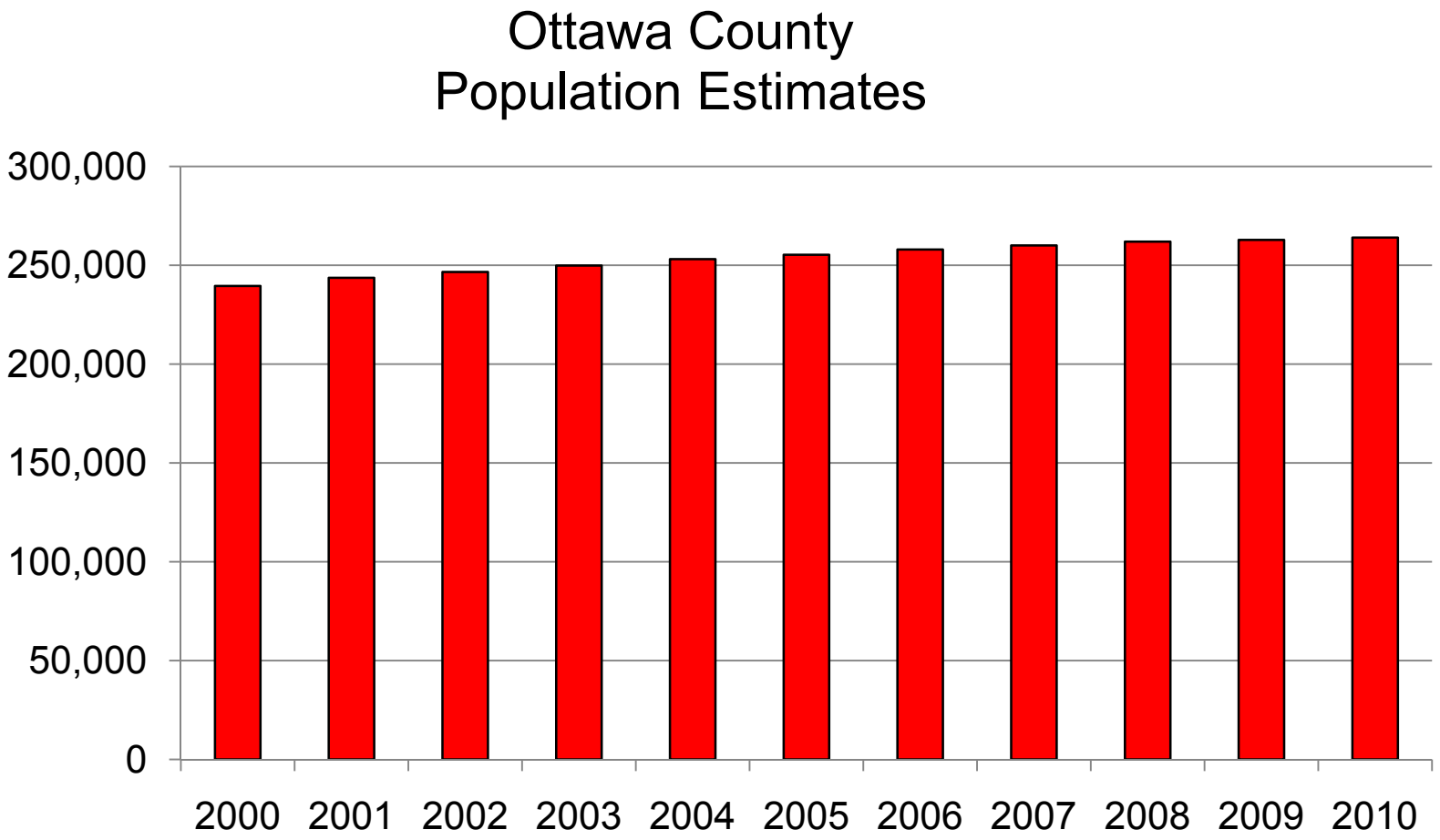
About 2,500 new residents annually



Source: U.S. Census Bureau, annual population estimates.

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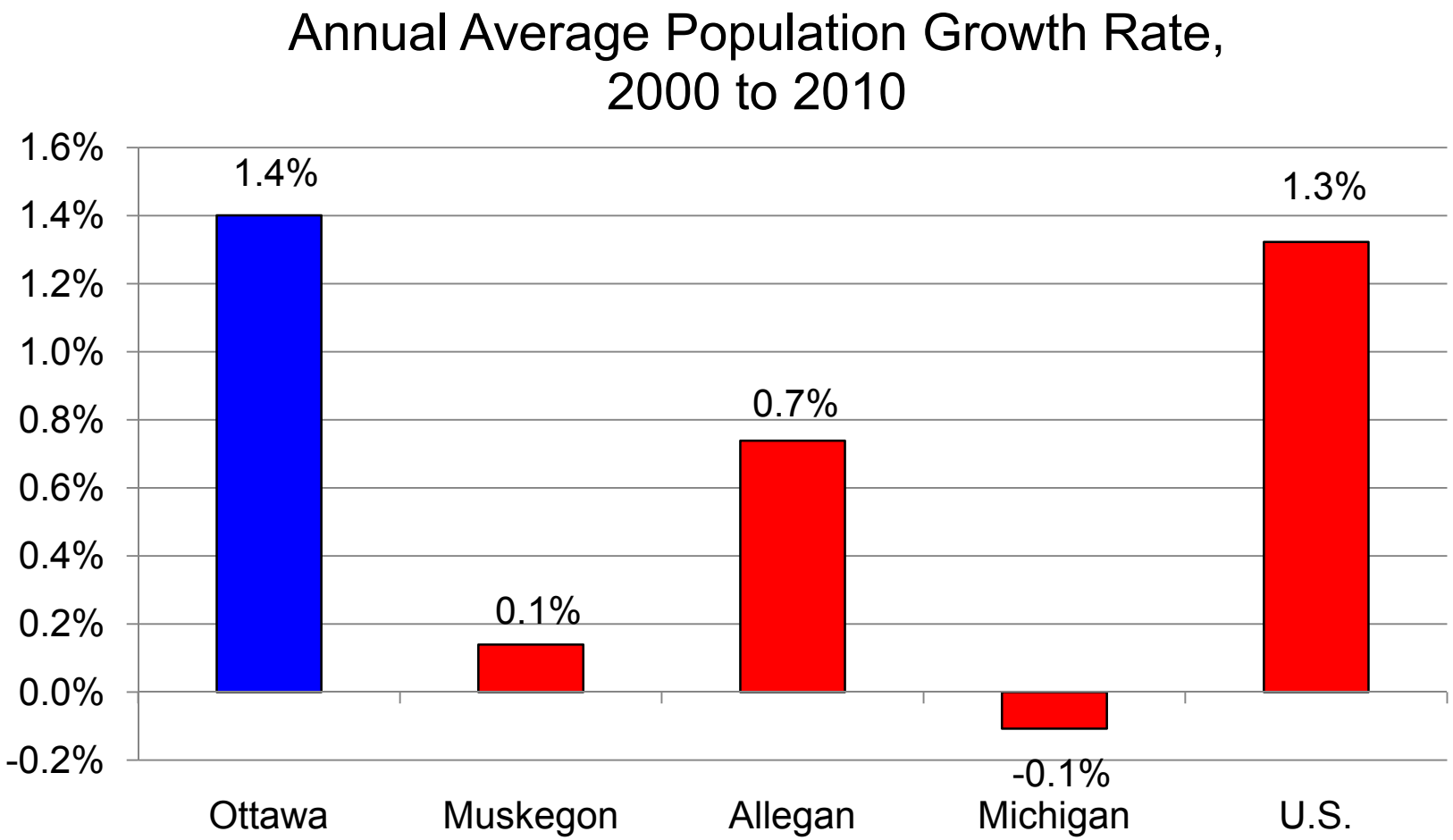
The County continues to grow.



Source: U.S. Census Bureau, annual population estimates.

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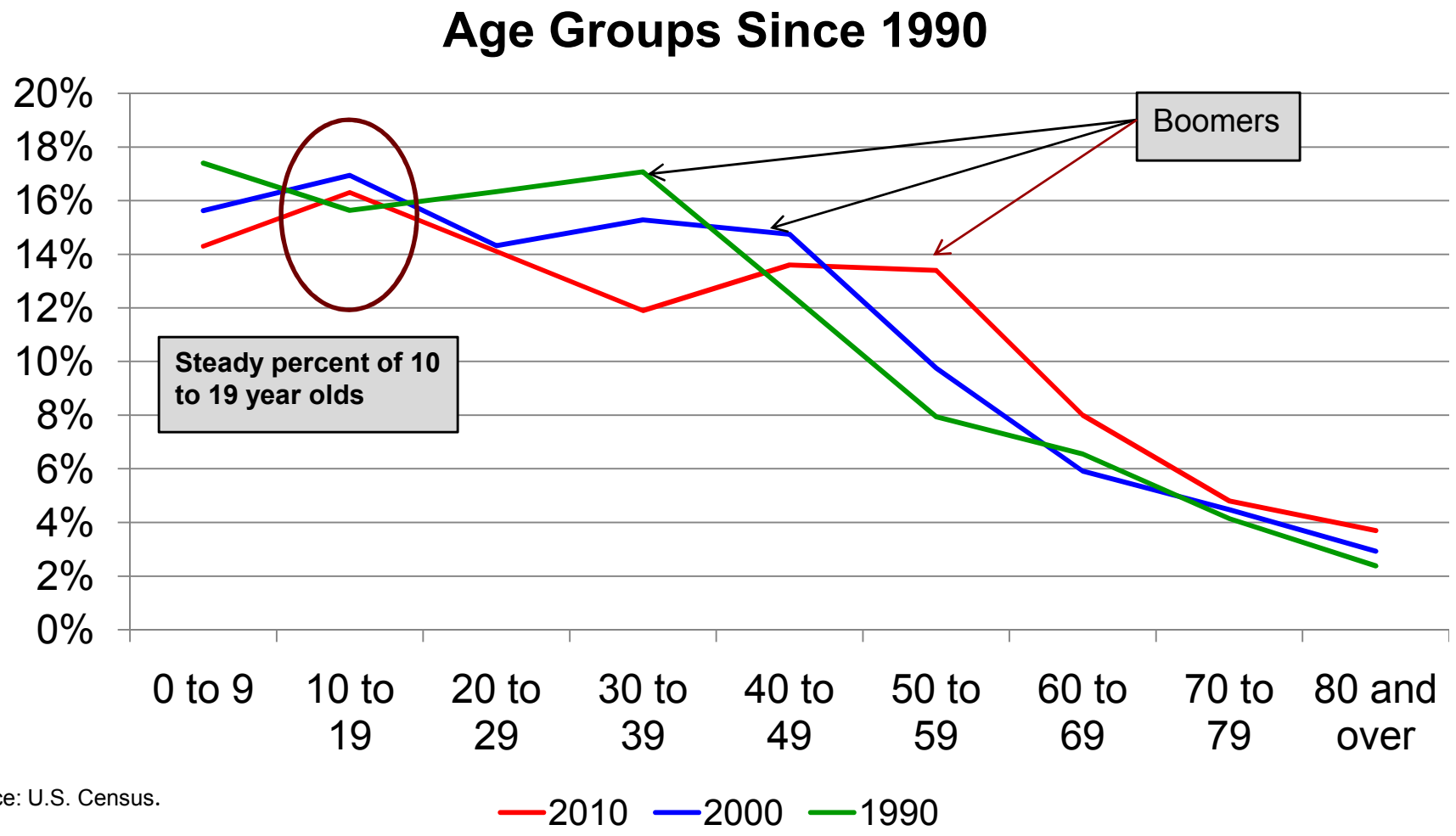
The impact of the boomers is still significant but look at those college kids.



Source: U.S. Census.

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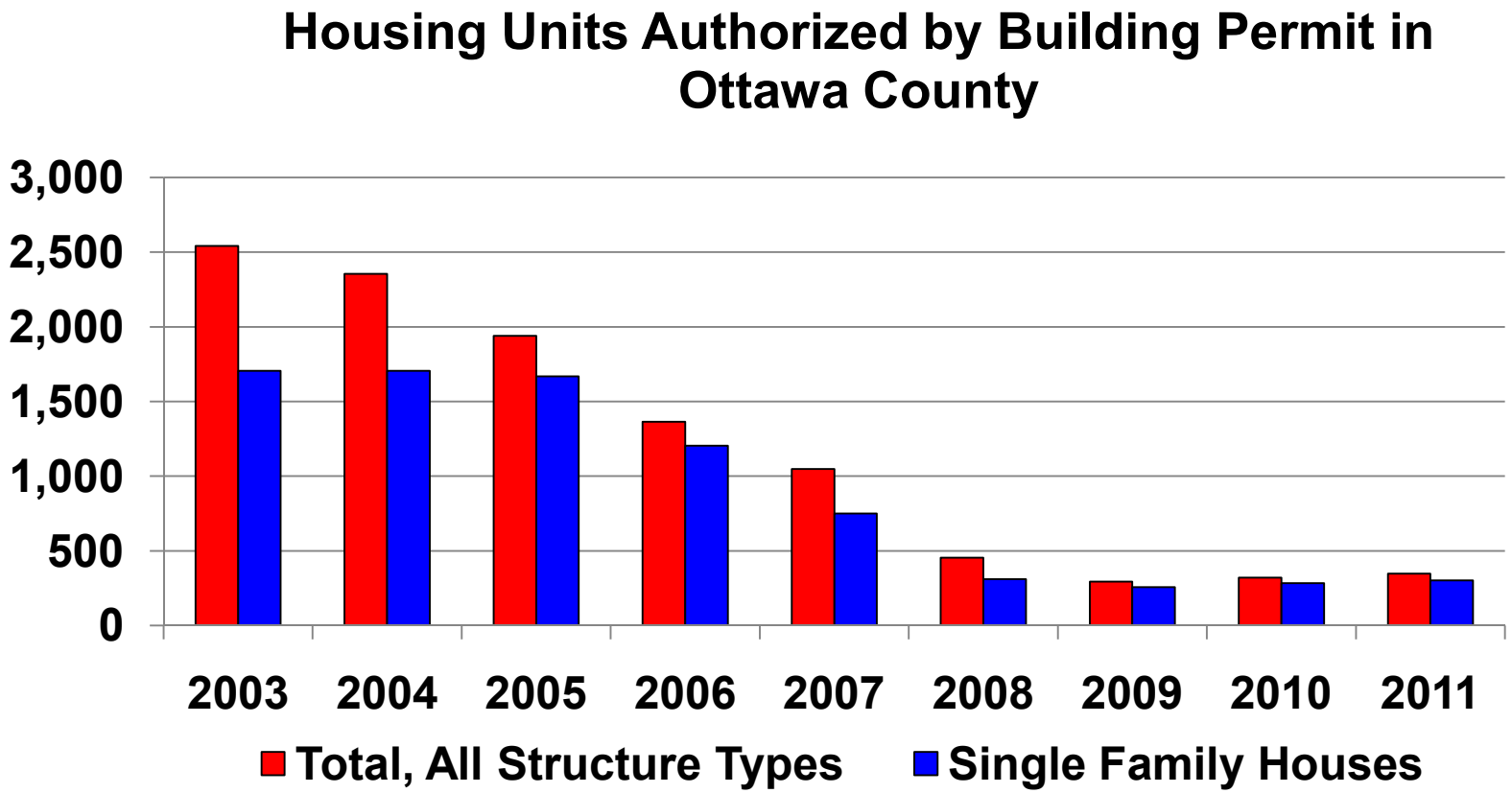
Despite good population growth the county residential construction is flat as a pancake.



Source: U.S. Census Bureau: Manufacturing, mining, & construction statistics.
Note: 2010 is estimated year-to-date through November 2010 only.

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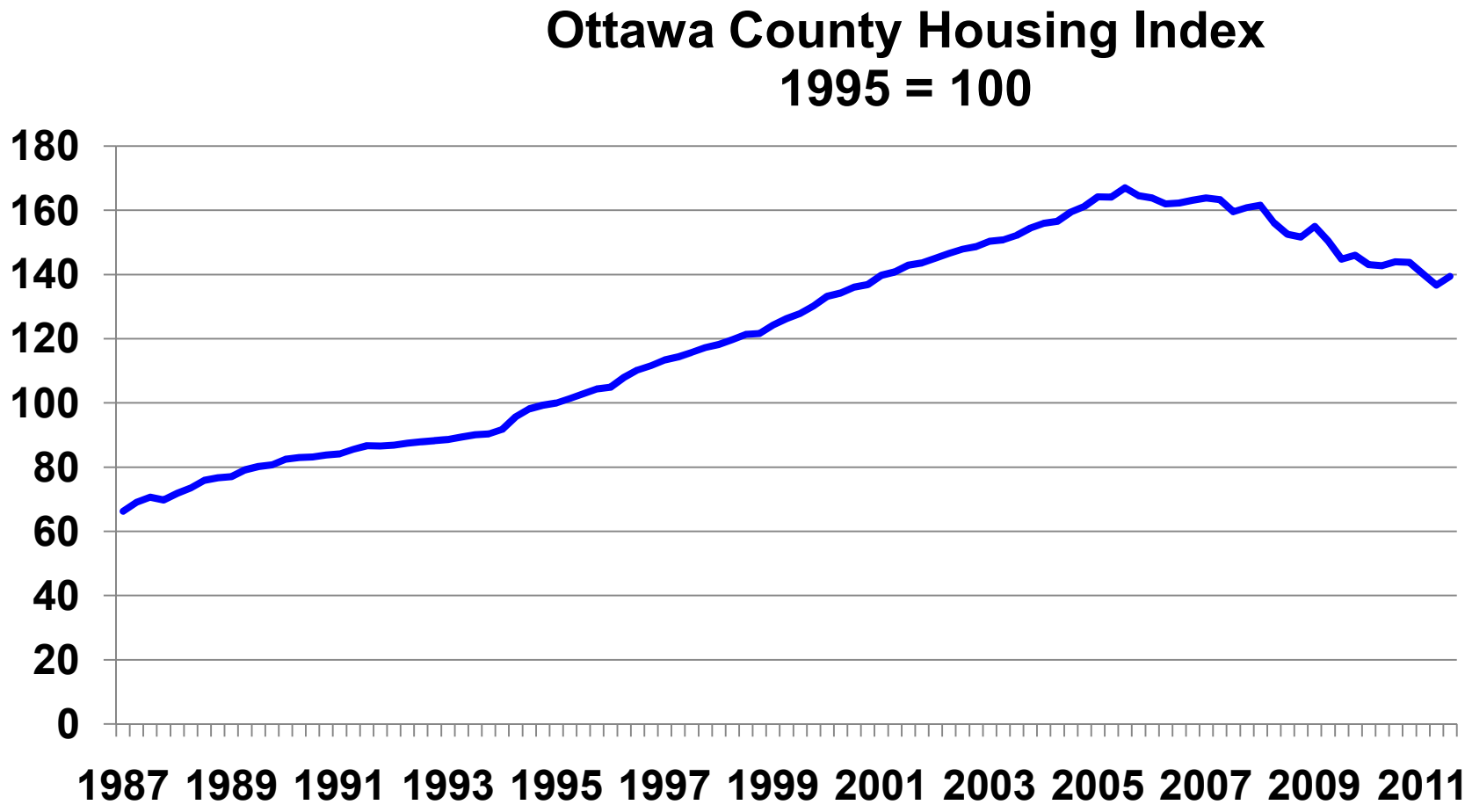
Maybe a slight uptick in prices



Source: FHFA.

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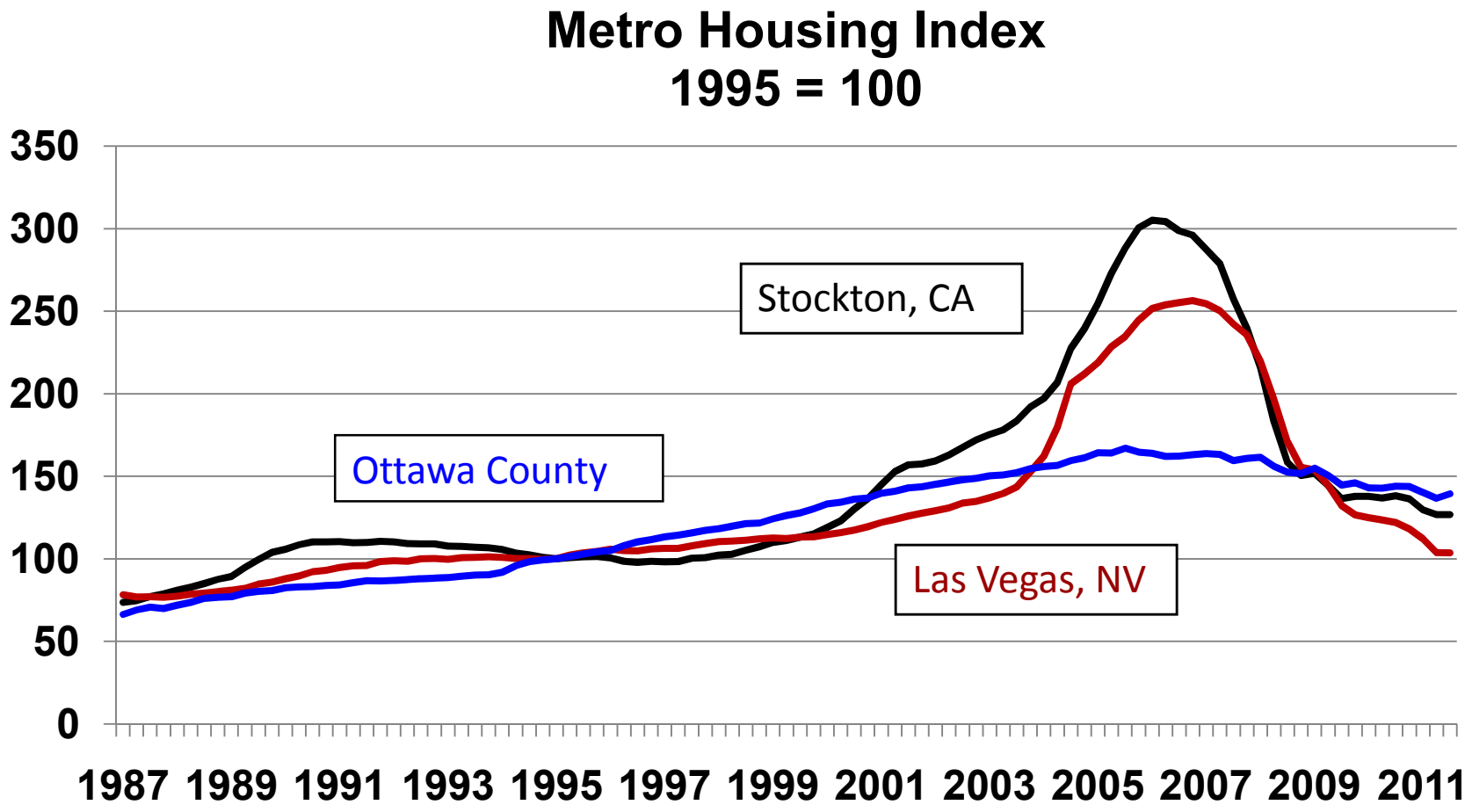
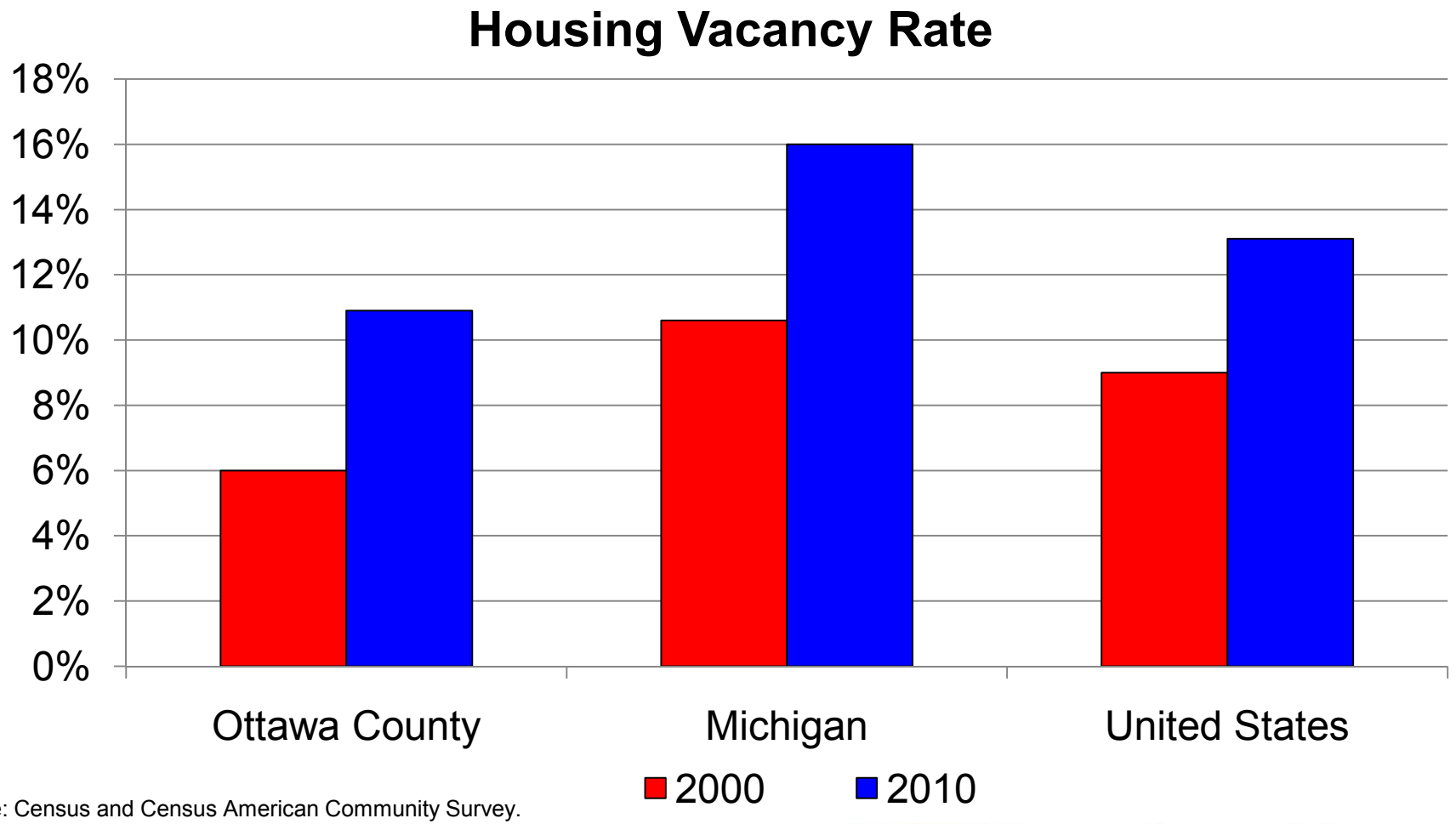


Source: FHFA.

Vacancies are still an issue.



Source: Census and Census American Community Survey.

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Kent and Ottawa Counties are clearly connected.

Who fills jobs In Ottawa County?		Where are Ottawa Residents Employed?	
Ottawa	53%	Ottawa	48%
Kent	15%	Kent	29%
Muskegon	9%	Allegan	7%
Allegan	9%	Muskegon	5%

Source: Census On the Map, 2009, Primary Jobs.

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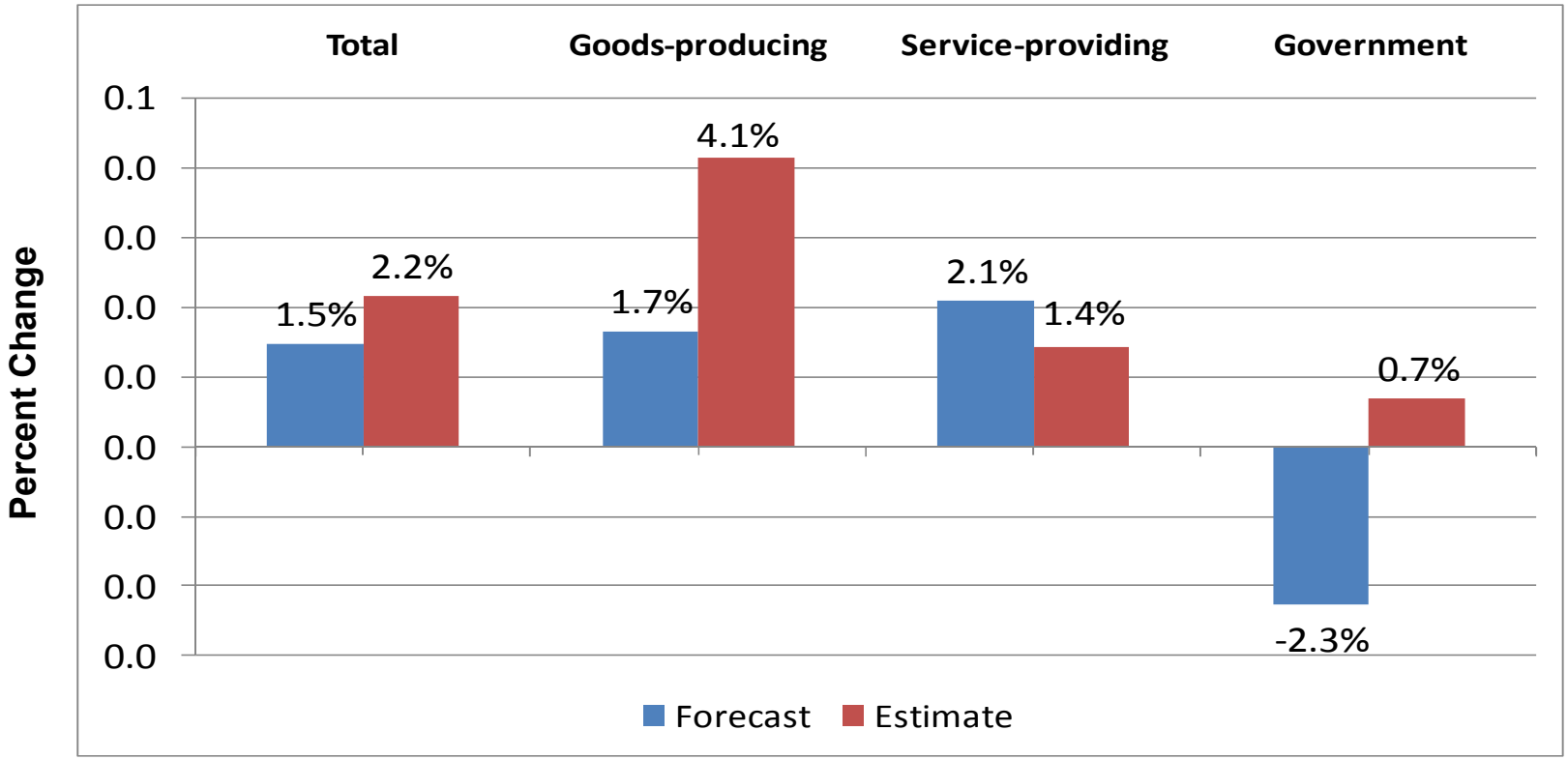
So, how did we do last year?

We missed the robust gain in manufacturing.



Source: Upjohn Institute.

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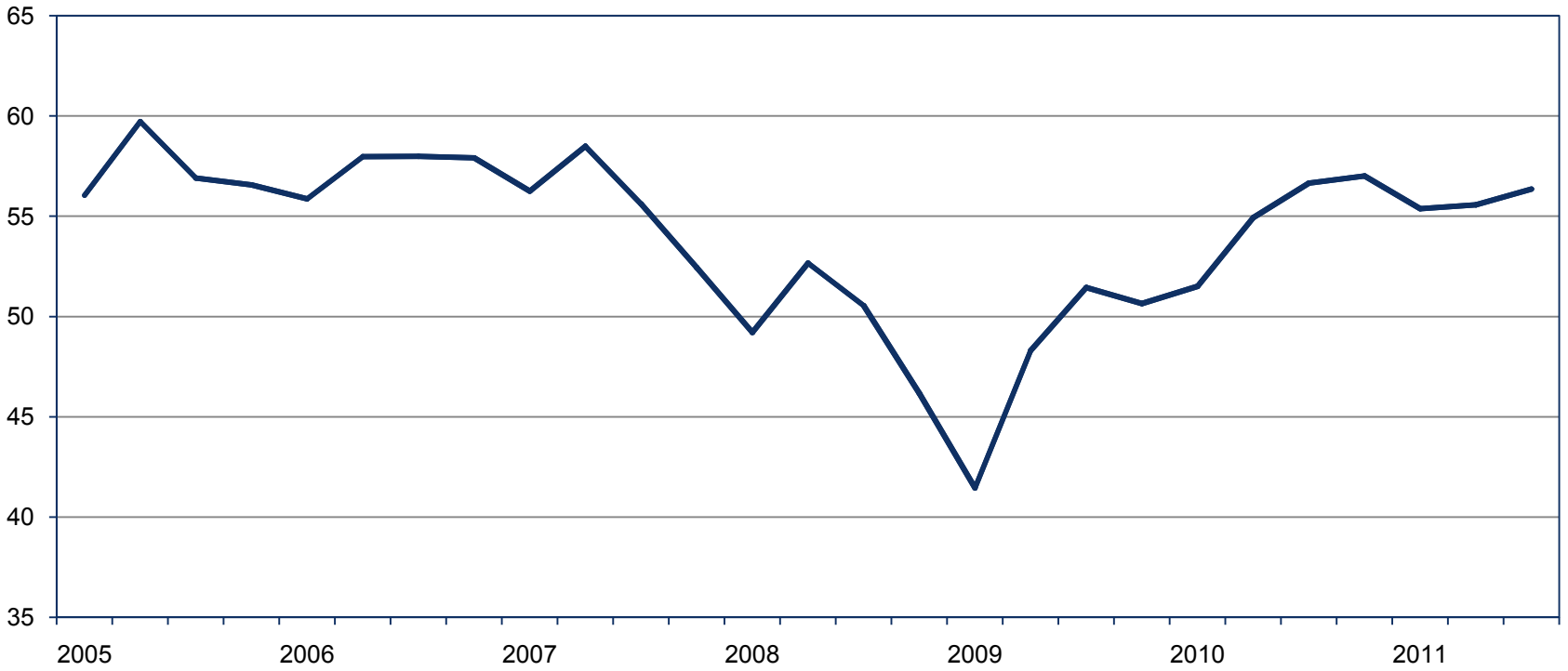
According to the Dunlap's quarterly survey of the office furniture industry, employment levels have stabilized.

Michael A. Dunlap & Associates Index of Office Furniture Employment
(100 = 2000 Average)



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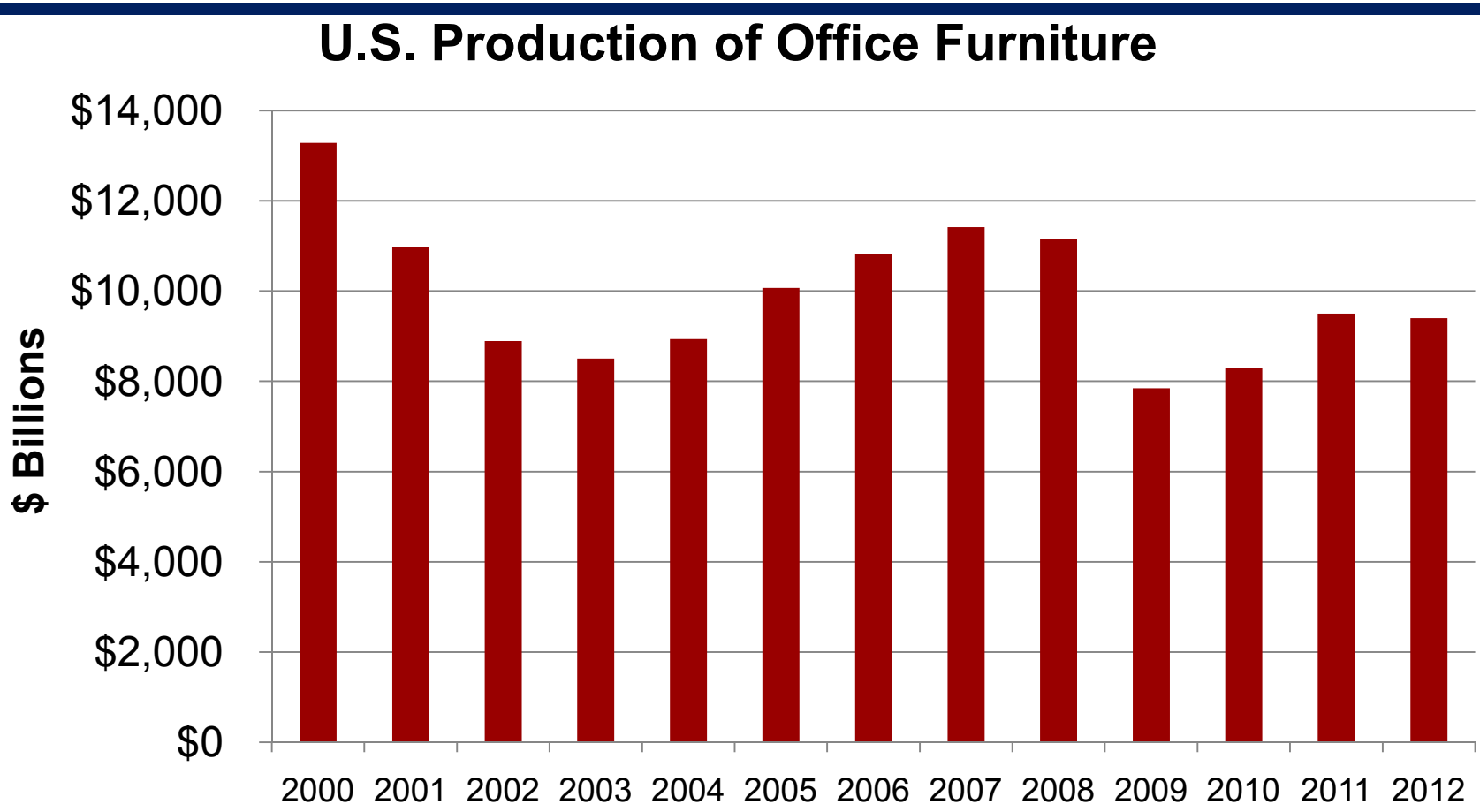
BIFMA is forecasting a modest 1.7% drop in office furniture production in 2012.



BIFMA is the Business and Institutional Furniture Manufacturer's Association.

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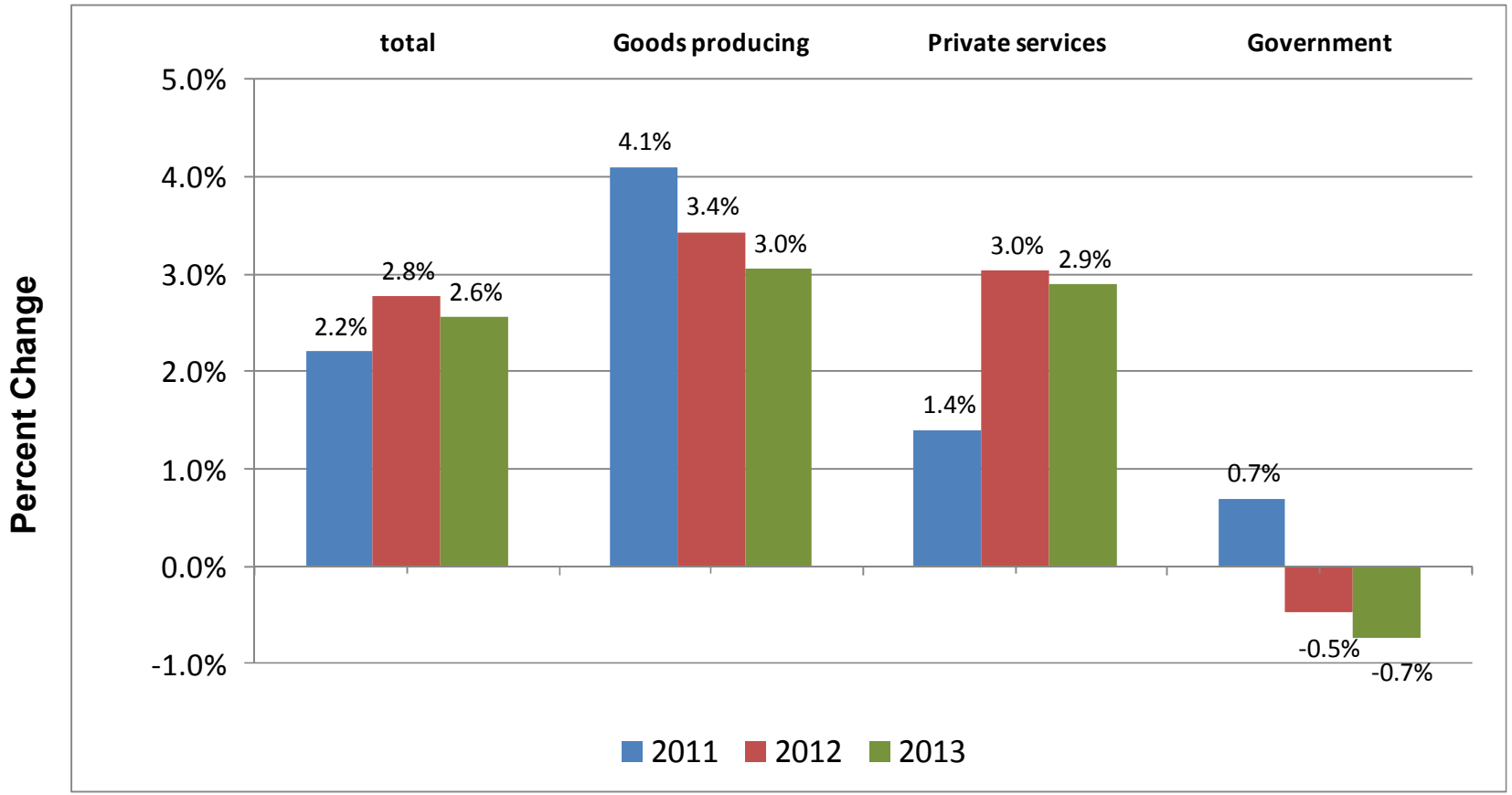
What have we included in our forecast?

Announced employment expansions at:

- Gentex
- S2 Yachts
- Continental Dairy
- LG Chemicals
- Novo 1

2012 and 2013 Employment Forecast for the Holland-Grand Haven MSA



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What could go wrong or right?

- Wrong:
  - The Euro Zone Collapses.
    - Exports and Financial Markets would be significantly impacted.
  - Serious conflict in the Persian Gulf
    - Oil prices would likely soar
- Right:
  - Corporations invest in the U.S. due to changing cost structures.
  - National banks start lending again.

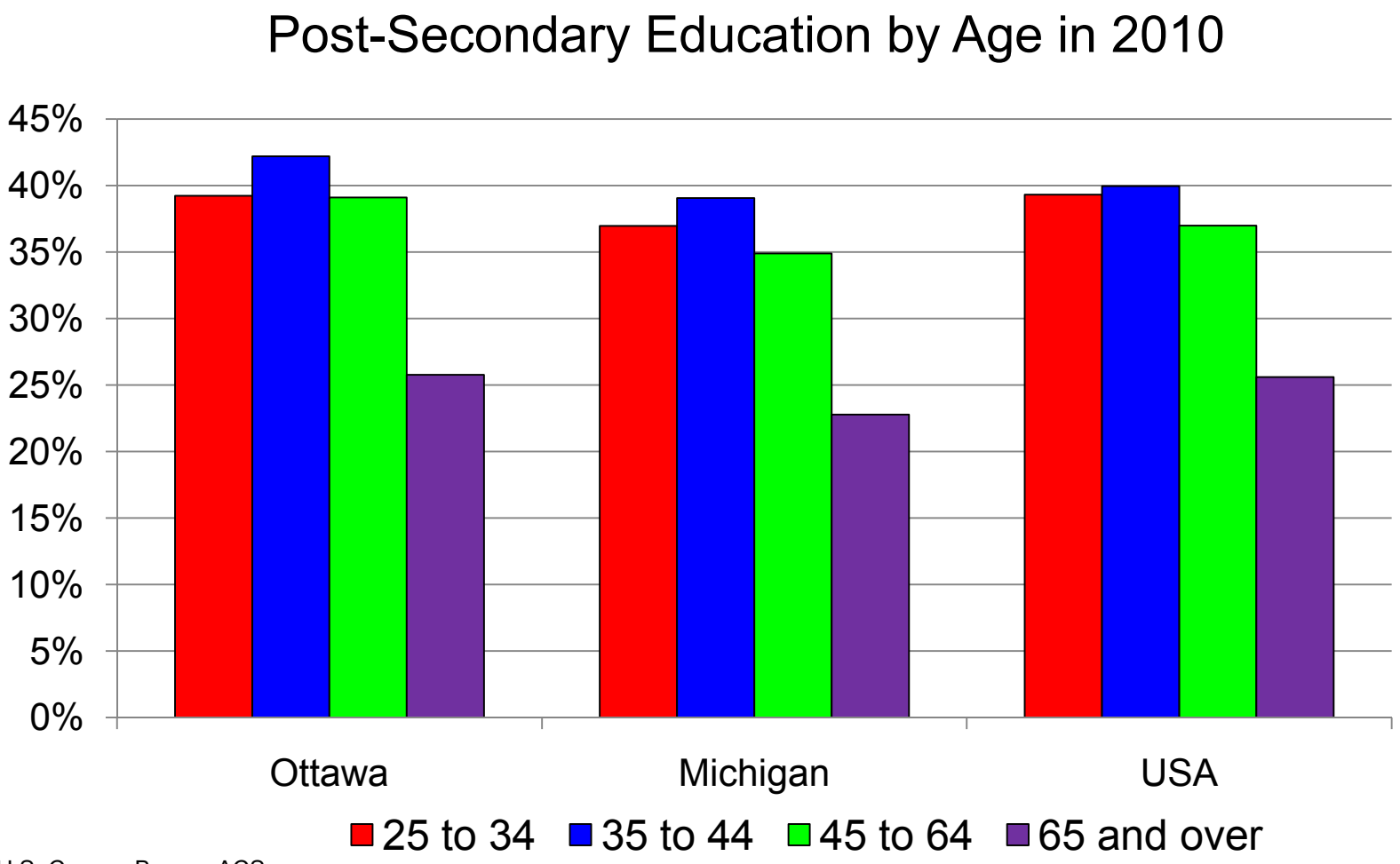
What is off the table?

- Fiscal policy until, at least, the 2012 election.
- New monetary “easy money” policies.

Another look at the region's workforce

- The decline in education achievement is still apparent.
- However, the payoff to education still holds.
- Employers are not finding the workers they need even though the unemployment rate remains high.

What is wrong with the young adults?



Source: U.S. Census Bureau ACS.

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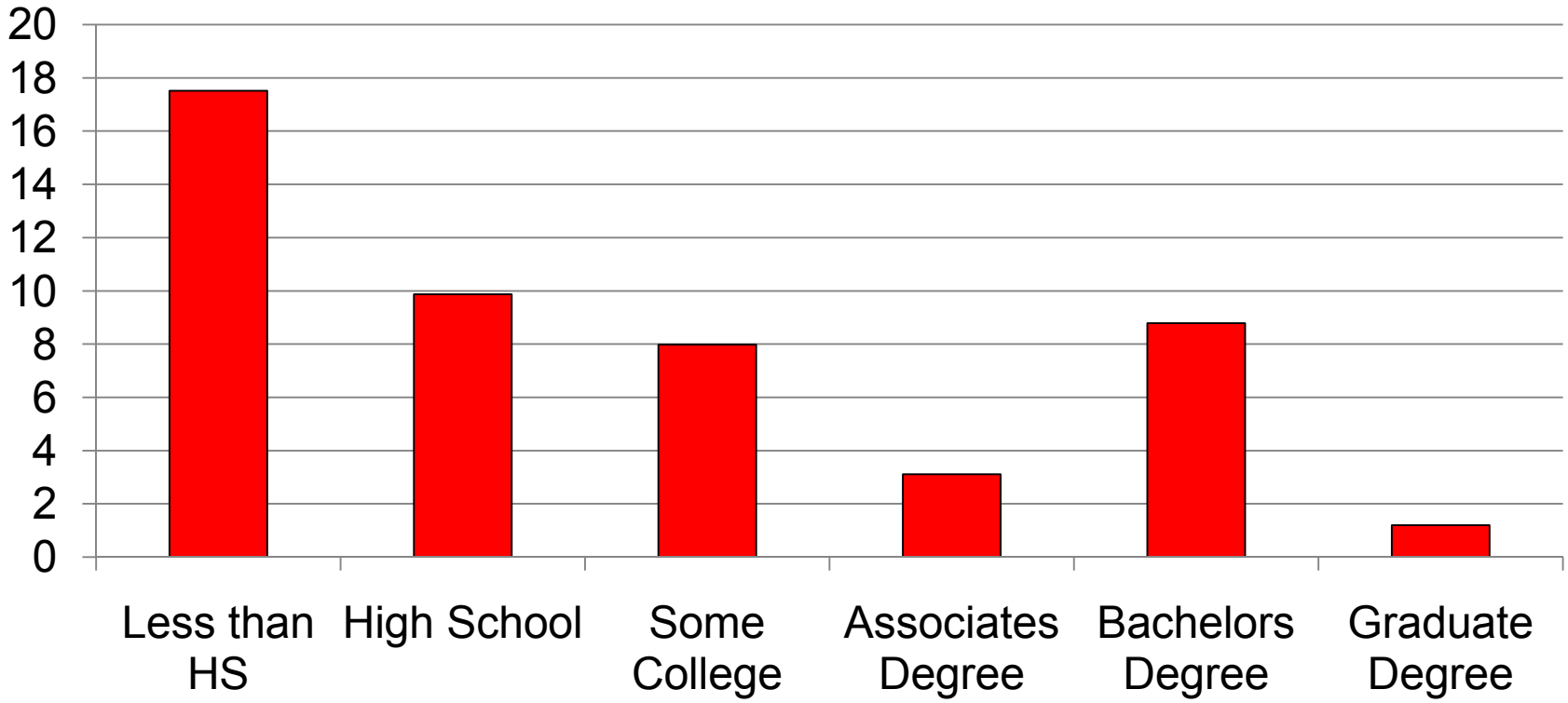
Surprised by the number of Bachelor's Degrees

2010 Unemployment Rate by Educational Attainment in Ottawa County 25 to 65 year olds



Source: Ruggels et al, IPUMS USA.

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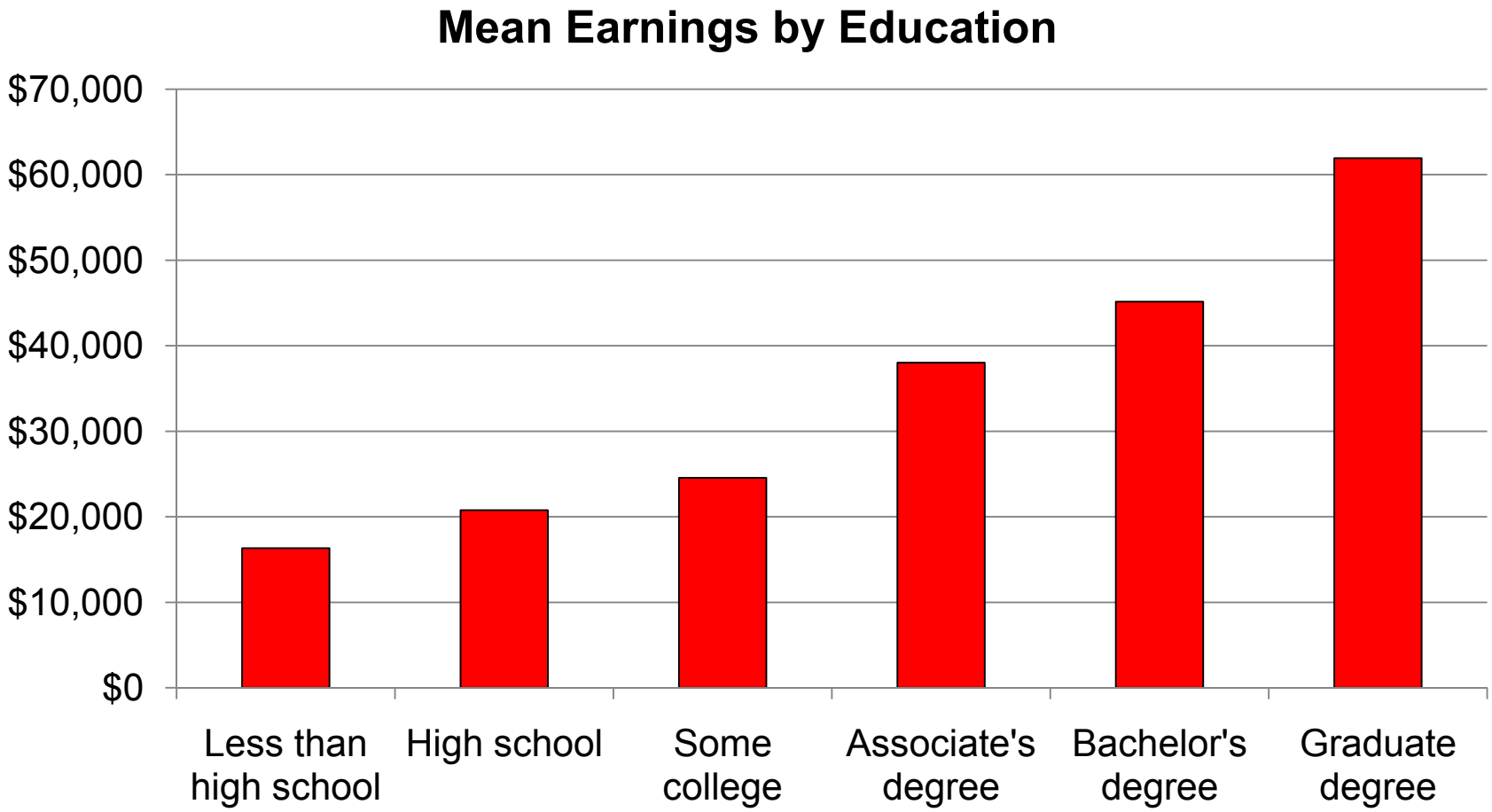
Still, education continues to pay.



Source: Ruggels et al, IPUMS USA.

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Labor Mismatch

- Currently 457,000 persons are unemployed in the state and more than 13 million nationwide.
- Yet, manufacturers claim they cannot find workers with the skills they need.

Nationwide, the gap between job opening and net employment is not large.

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Here is the problem

- Earning potential remains strong when holding education attainment constant.
- However, the employment situation in manufacturing is subject to swings in the business cycle and rapidly changing technology improvements.
- In Ottawa County, from December 2006 to today, manufacturers have cut more than 6,000 jobs (17 percent).
- In short, it can be a tough sell to convince someone to pick a manufacturing occupation. ***Classes at the area's community colleges have empty chairs***.

The Economic Outlook for the Holland-Grand Haven MSA

George Erickcek
January 10, 2012
W.E. Upjohn Institute for Employment Research

For a copy of this presentation go to:
www.upjohn.org/WestMichigan/Presentations

Or email me at:

Erickcek@upjohn.org

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Everything Michigan

Economist: '2012 could be a pretty good year' for Ottawa County

Published: Tuesday, January 10, 2012, 3:30 PM

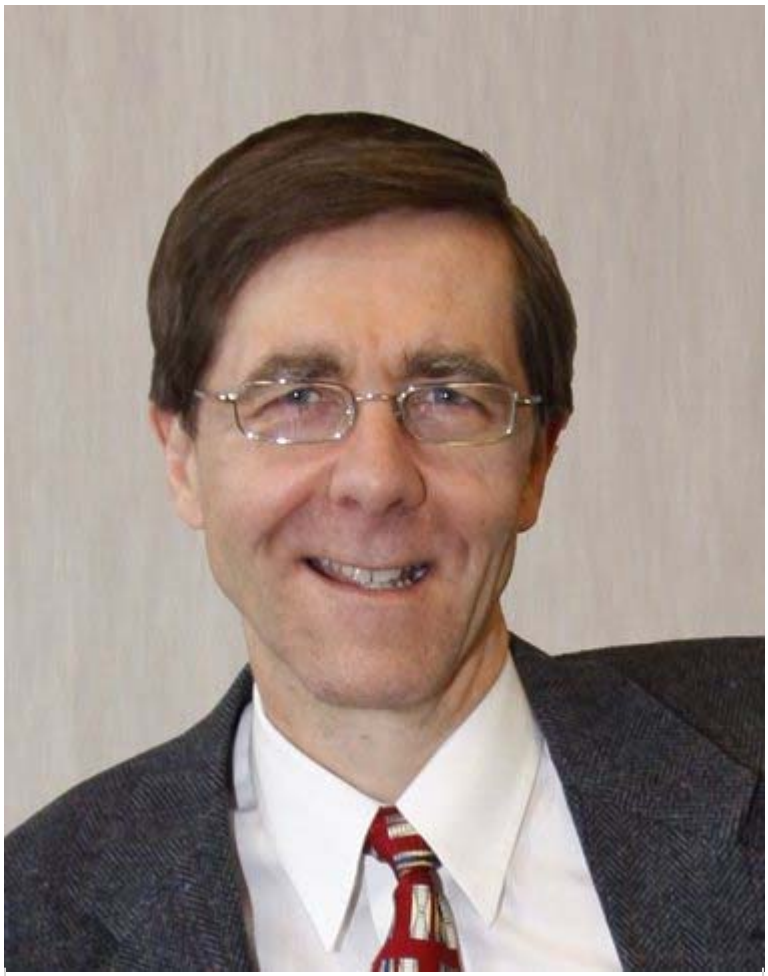
By **Myron Kukla | The Grand Rapids Press**

HOLLAND--If the Eurozone doesn't collapse and gas prices stay stable, 2012 could be a pretty good year economically for Ottawa County.

That was the projection given to **Holland Chamber of Commerce** members Tuesday by West Michigan economic analyst George Erickcek.

"We've just come through a kidney stone of a recession (but) the region grew 3,500 jobs from the third quarter 2010 to third quarter 2011-- a 2.8 percent increase for the year," said Erickcek a senior regional analyst with the Kalamazoo-based **W.E. Upjohn Institute for Employment Research.**

Speaking to about 400 Chamber members at the Haworth Conference Center, Erickcek predicted about a 2.8 percent job growth for the area for 2012 and a 3.4 percent growth in manufacturing.



Economic analyst George Erickcek

"This is one of the most optimistic forecasts I've made in recent years. Ottawa County is exceeding expectation," he said.

The basis for the optimism is improvements in the Michigan auto industry that has weathered a deep recession, reorganization and is on the upswing with an estimated 13.5 to 14.5 million domestic manufactured cars being sold this year.

He said 64,000 jobs were added by Michigan employers from the third quarter 2010 to third quarter 2011 and projected another 31,500 new jobs coming for 2012 and 37,000 in 2013.

Another factor that will play into the improving West Michigan economy during the next year is consumer confidence.

“The rise in consumer confidence in the past few months has been positive. That’s called ‘Hope,’” said Erickcek who also sees the Ottawa County unemployment rate of 6.5 percent as another positive sign of a slow growth recovery.

Erickcek’s assessment was echoed by Randy Thelen President of the regional economic development agency **Lakeshore Advantag**e.

“We’ve met with 200 area companies to discuss their plans and 88 percent are forecasting expansion in the next three years. That’s nine out of ten companies expecting growth,” Thelen said.

John Maxson, Chief Operating Officer of Genzink Steel of Holland, said the company had increased employment by 25 percent during 2011 to keep up with increased sales demand.

“We had a very optimistic forecast for the year and vested it by 35 percent. Every indication from customers is that 2012 will be better,” Maxson said.

Employment locally is still 30 percent below employment levels of 2000 with 6,500 fewer manufacturing jobs than there were four years ago.

And, while Michigan had a population loss of 0.1 percent during 2011, Ottawa County had 2,500 new residents move in.

One factor that may slow growth in the next year is that employers are having trouble finding qualified employees. Erickcek said manufacturing employees have left the state in recent years to find jobs in other states and young people have turned away from careers in trades because of the downturn in manufacturing in recent years.

E-mail the author of this story: ***localnews@grpress.com***

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Oakland County leads in job growth

From June 2010 to June 2011, Oakland County had the ninth-largest increase in employment among the nation's 322 largest counties, according to data released Tuesday by the U.S. Bureau of Labor Statistics.

The job growth is being driven by the recovery under way in the auto industry. Oakland gained 20,300 jobs, just behind Miami-Dade County.

The data also showed that Ottawa County, on the state's west side, experienced the biggest percentage increase in employment among the 322 largest U.S. counties, with a 4.7% gain. Oakland ranked eighth, with a 3.3% increase, followed by Saginaw County in the 10th spot with job growth of 3.2%.

"Every business we've gone into is hiring," said Laurie Johnson, economic development coordinator for the City of Auburn Hills. "Everybody had downsized to go with the economic times. Now they are trying to ramp up quickly."

She said many Oakland County businesses have experienced difficulties filling technical positions.

For the second year in a row, several Oakland County cities are holding a high-tech job fair. This year's event will be 10 a.m.-3 p.m. Feb. 23 at Oakland University (www.mijobhub.com).

Ottawa County, the home of Holland and Grand Haven, saw an increase of 3,500 jobs from November 2010 to November 2011, according to Alan Vanderberg, the county administrator. Manufacturing positions, in the auto and furniture industries, accounted for 63% of the increase, with the rest coming from the service sector.

That's a big change from 2008 and 2009, when the county lost 19,000 jobs. "We really can't complain," Vanderberg said. "Now if the housing market would just recover."

Contact Katherine Yung: 313-222-8763 or kyung@freepress.com

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Advancing the West Michigan Economy

Birgit Klohs
President and CEO
The Right Place, Inc.

THE RIGHT PLACE
Advancing the West Michigan Economy

Defining Economic Development

goods and services
exported

West Michigan

another community

ED101

New Money =

New Jobs
New Investment
New Wealth

new money
imported

About The Right Place

Mission

To promote **wealth creation and economic growth** in the areas of quality employment, productivity and innovation in West Michigan by developing jobs through **leading business retention, expansion and attraction efforts**.

"The best social service is a good paying job with benefits."

Ewing Kaufmann, Kaufmann Foundation

The Right Place, Inc.

- A self-funded organization
- Based on a 5-year strategic plan and funding cycle
- Led by a Board of Directors
  - **A cross-functional group of business and community leaders**

5-Year Strategic Plan

1. **Lead West Michigan business development efforts**

2. **Identify and develop emerging growth opportunities**
   - Life Sciences – Medical Devices
   - Alternative and Renewable Energy
   - Agribusiness and Food Processing
   - Advanced Manufacturing
   - Aerospace and Defense

3. **Strengthen the global competitiveness and innovation of our existing regional manufacturers**

2009-2013 Goals

$500
MILLION
Capital Investment

5,000
New/Retained Jobs

$175
MILLION
New/Retained Payroll

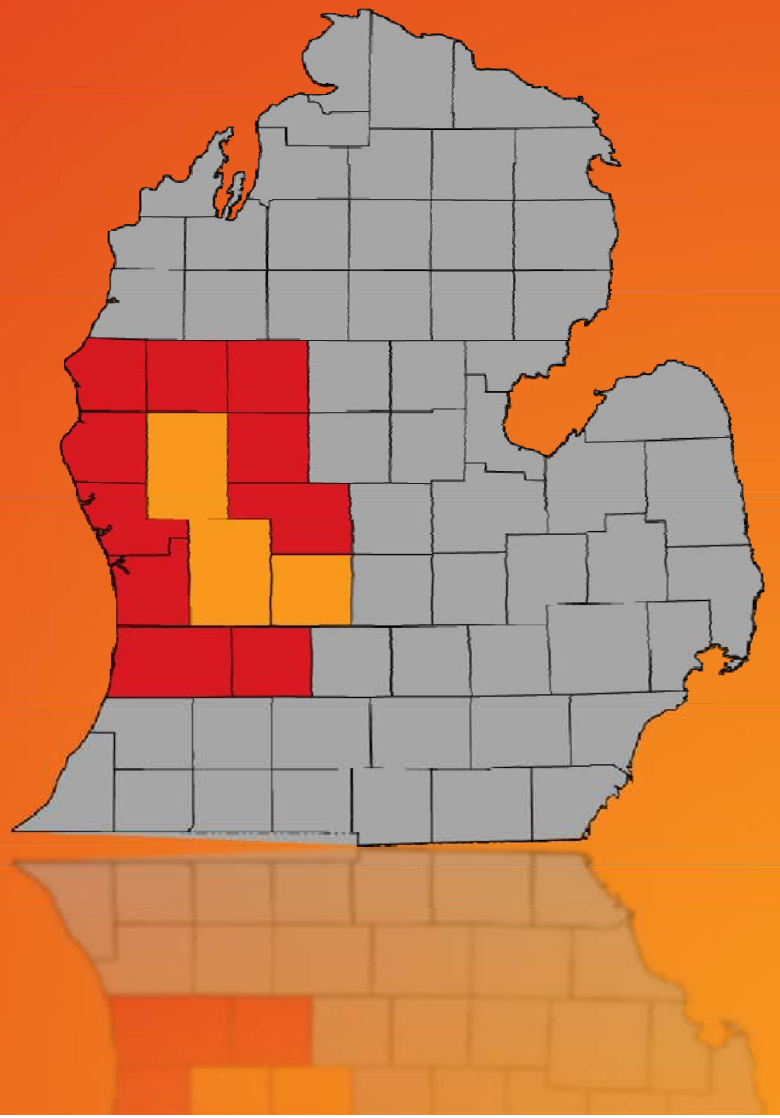
7,500
Companies Assisted

Emerging Opportunities

- **Food Processing / Agribusiness**
  - Access to fresh water
  - Access to agriculturally diverse supply chain
  - Access to market
- **Alternative and Renewable Energy**
  - European-American business relationships
  - Diversified manufacturing supply chain
  - Multimodal logistics infrastructure (road, rail, water)
- **Life Sciences – Medical Devices**
  - Access to healthcare collaborations
  - Diversified manufacturing supply chain
  - Access to medical research and development

Emerging Opportunities

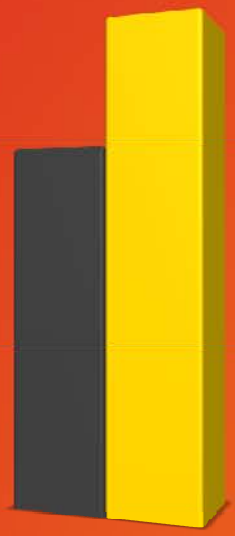
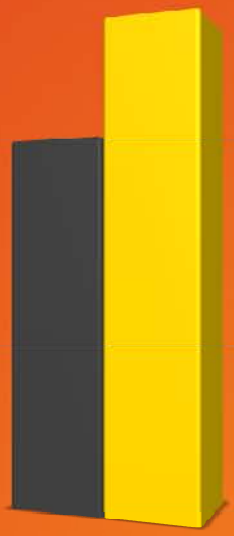
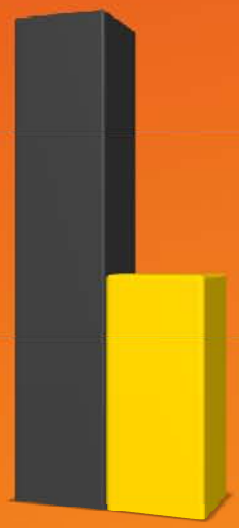
- **Regional Collaboration**
  - 13-County Collaboration
  - Newaygo County Partnership
  - Ionia County Partnership



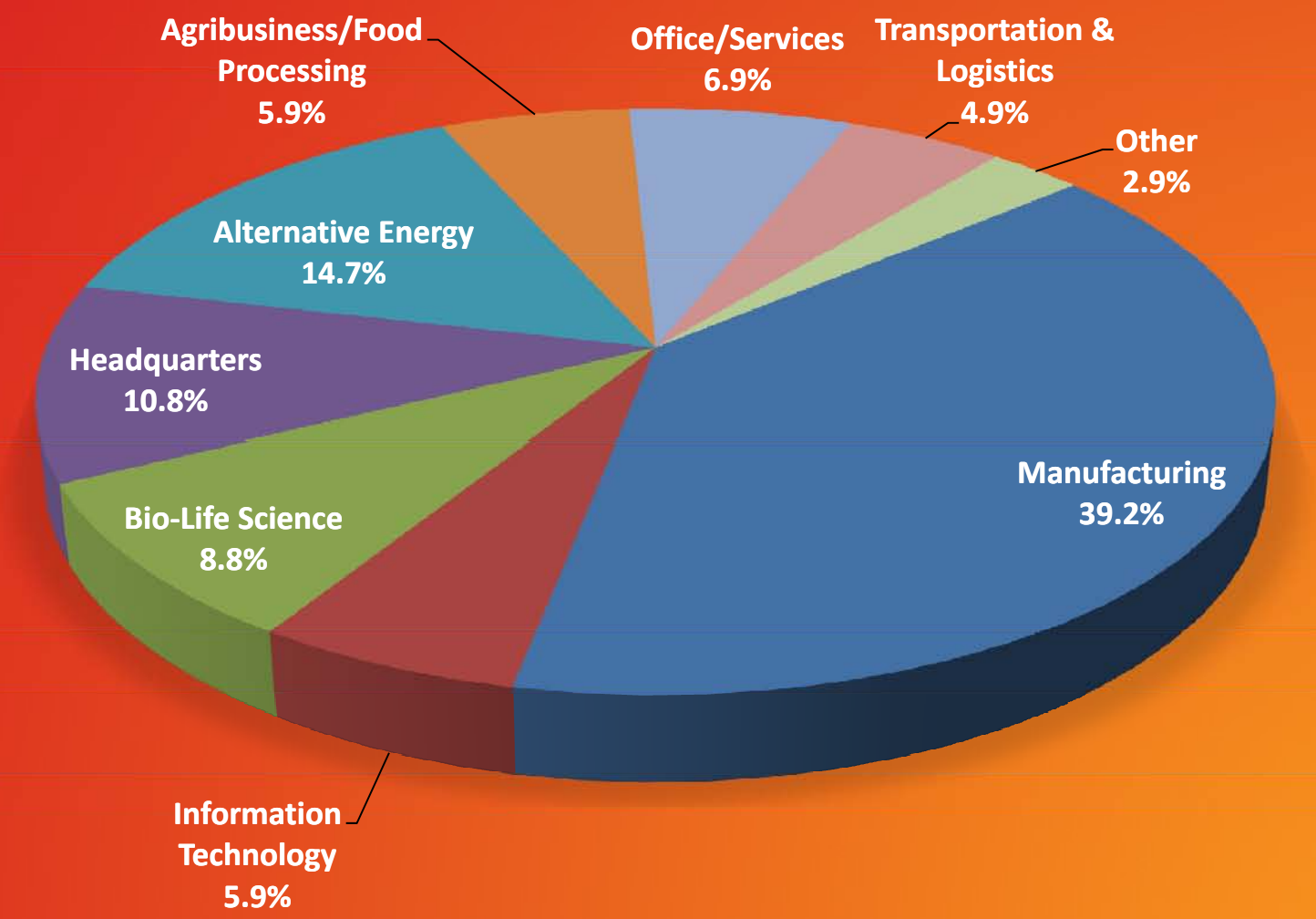
2011 Projects

Company	Jobs Created	Payroll	Investment
Atomic Object	30	$2,020,200	$983,000
Knape & Vogt	122	$3,114,904	$1,240,000
Intervention Insights	39	$3,540,888	$4,000,000
Biondo Boats	5	$425,000	$1,500,000
Hearthside Foods	302	$7,632,144	$17,000,000
Gordon Food Service	127	$5,804,916	$30,000,000
Plasan Carbon Composites	202	$9,989,708	$18,047,500
OMET Americas Inc.	12	$600,000	$1,100,000
Festida Foods	20	$500,000	$3,562,775
Booking.com	562	$12,364,000	$770,000
Total	**1,421**	**$45,991,760**	**$78,203,275**

5-Year Progress (2009-2013)

CAPITAL INVESTMENT	NEW PAYROLL	CREATED & RETAINED JOBS	COMPANIES ASSISTED
			
$444,468,183	$259,203,106	7,417	4,115
GOAL $500,000,000	GOAL $175,000,000	GOAL 5,000	GOAL 7,500

West Michigan Prospects



National Business Development

California · Colorado · Florida · Georgia · Illinois · Indiana

Iowa · Minnesota · New York · Ohio · South Carolina

International Business Development

Canada · China · England · France · Germany

Israel · Italy · Netherlands · Spain

The Right Place Services

Business Development

- **Confidential site searches**
- **Custom research services**
- **Managing state and local incentive programs**
- **Linking to workforce and training resources**
- **Linking to potential regional partners and supply chains**
- **Assistance on infrastructure improvements**

Manufacturing Assistance

- **Sustainable Manufacturing**
- **Operational Improvement Systems**
- **Lean Business Solutions**
- **Quality Management Systems**

Innovation

- **Mining for innovative ideas and intellectual property.**
- **Connecting companies to ideas and intellectual property.**

Challenges and Opportunities

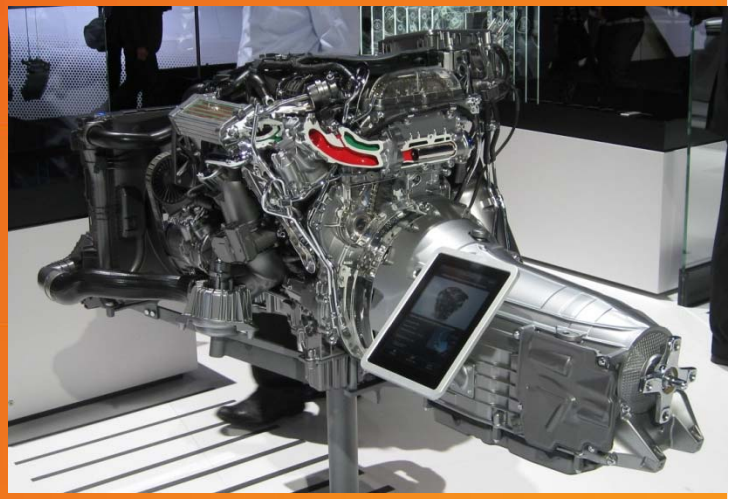
Workforce Development

The International Bridge

Infrastructure

Immigration

Competition



Thank You

Ottawa County Economic Development Office, Inc.

6676 LAKE MICHIGAN DRIVE • P.O. BOX 539 • ALLENDALE, MICHIGAN 49401 • PHONE 616 892-4120 • FAX 616 895-6670

DATE: January 6, 2012

TO: Al Vanderberg

FROM: Ken Rizzio

RE: Ottawa County Economic Information for the 1/9/12 Ratings Call

Per your request Al, here are several notable items concerning Ottawa County's economy that you & Bob Spaman may want to share with the Rating Agencies next Monday and in the Digest

- Many Ottawa County manufacturers are expanding their operations. There was a total of 36 applications for P.A. 198 tax abatements approved by the State Tax Commission at its December 20th Meeting. Collectively, these 36 firms located throughout the County are investing a total of approximately $ 180.6 million in new building & land improvements and machinery & equipment acquisitions.

- As Randy Thelen pointed out in a recent (12/28/11) e-mail, according to the Milken Institute, the Holland-Grand Haven (Ottawa County) MSA's one-year job growth between 2009 and 2010 ranked the 2nd highest in the nation among 200 large MSAs. Ottawa County's one-year high-tech sector output (GDP) growth relative to the U.S. average for this same time period ranked the 5th highest of those 200 MSAs.

- Concerning Ottawa County's latest (November 2011 unadjusted) civilian labor force statistics from the Michigan Department of Technology, Management & Budget, Ottawa County had the 3rd lowest unemployment rate among the State's 17 labor market areas. The County's 6.5 percent rate was only .1 higher than the 2nd ranked MSA (which was Lansing; Ann Arbor was ranked #1). By comparison, Ottawa County's unemployment rate of 6.5 percent was much lower than the rates of 8.2 and 8.4 percents for the U.S. and State of Michigan, respectively. Also, for comparison purposes, Ottawa County's unemployment rate a year ago was at 9.3 percent.

  Over the one-year period from November 2010 to 2011, total non-farm employment in Ottawa County increased by 3,500. Of that total, the manufacturing sector added 2,200 jobs and

the services sector added 1,300 jobs. Public sector employment likewise experienced an increase, adding 500 jobs.

- During the first quarter of 2012, both the Continental Dairy Products/CS Facilities $ 100 million powdered milk processing plant in Coopersville as well as Request Foods new 200,000 sq. ft. state-of-the-art food processing plant in Holland Township will begin production.

- According to Randy Thelen, the new LG Chem battery manufacturing plant in Holland is currently in pre-production, prove-out phase. Full production will begin in March. JCI's Holland battery plant is already in production.

Also, George Erickcek from the Upjohn Institute will be in Holland on January 10th providing his annual "Economic Outlook for Ottawa County" presentation. There will no doubt be more noteworthy data & information to share with the Rating Agencies after that release.

Please call me at 892-4120, if you have any questions on any of the above items. Thanks!

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Everything Michigan

Federal grant propels Saturn Electronics to add 90 jobs in Coopersville

Published: Monday, January 09, 2012, 9:45 PM Updated: Tuesday, January 10, 2012, 1:50 PM

By **Jeff Cunningham | Advance Newspapers**

The parking lots at Saturn Electronics and Engineering in Coopersville are full thanks to all of the hiring the firm has done over the last two years. by Jeffrey Cunningham

Saturn Electronics & Engineering in Coopersville had hoped to add 25 jobs in March of 2010 when company officials applied for a $500,000 federal Community Development block grant from the City of Coopersville as part of the company's $14 million expansion.

The grant helped to convince the company, located at 323 Skeets St., to stay in Coopersville two years ago and not move the jobs and work to a plant in Suzhou, China, company officials said.

Company officials came to the Coopersville City Council meeting Monday to close out the grant a month ahead of the end of the grant's official ending date and with better news for the city than company officials had envisioned in 2010. Saturn officials said they added nearly 90 jobs in the last two years. The company now employs 183 people in Coopersville.

"We had hoped to add about 25 jobs with this grant," said plant manager Andy Jankowski. "Over the last two years, the automotive business has picked up and we have been able to hire 90 new employees - 79 of those that were either low- or moderate-income people."

Saturn makes electromechanical components at the Coopersville plant for all of the three major U.S. automotive companies. The company used the $500,000 grant, officials said, to purchase a piece of testing equipment. Each production line has at least seven testing stations and company officials said the grant allowed them to stretch their expansion budget that much further, leading to the hiring of additional employees. "We have more employees now than we have had at anytime in our history here in Coopersville and we are going to have to add more parking spaces just to accommodate cars for the employees," Jankowski said.

Coopersville Mayor Ken Bush said he was glad that Saturn decided to keep the jobs in Coopersville and not ship them to their plant in China. "It has meant a lot to the city that you decided to stay and expand here," Bush said.

Saturn originally applied for and was awarded the **grant** in July of 2008 as it expected to begin expansion of the Coopersville facility at that time. But the collapse of the domestic automobile industry caused company officials to postpone the expansion project until 2010.

Janwkoski said Saturn is now part the global automotive resurgence. "The Coopersville plant is working 24/7 and we are barely keeping up," he said.

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Everything Michigan

Saturn Electronics and Engineering delivers 3 times expected jobs after $500,000 state grant

Published: Tuesday, January 10, 2012, 11:30 AM Updated: Tuesday, January 10, 2012, 11:52 AM

By **Ron Cammel | The Grand Rapids Press**

COOPERSVILLE - The **Saturn Electronics and Engineering Inc's** West Michigan plant on Skeels Street is up to 183 employees, the most ever for the business, which serves the automotive industry.

Company officials reported to the city that a $500,000 state grant obtained two years ago was used for a tester at the end of a new assembly line, in which the company invested $14 million.

The company had forecast 26 new jobs with the**grant and tax abatements,** but actually added 90. Officials predicted continued growth for 2012. The plant manufactures solenoids that improve vehicles' fuel efficiency.

E-mail the author of this story: ***localnews@grpress.com***

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Everything Michigan

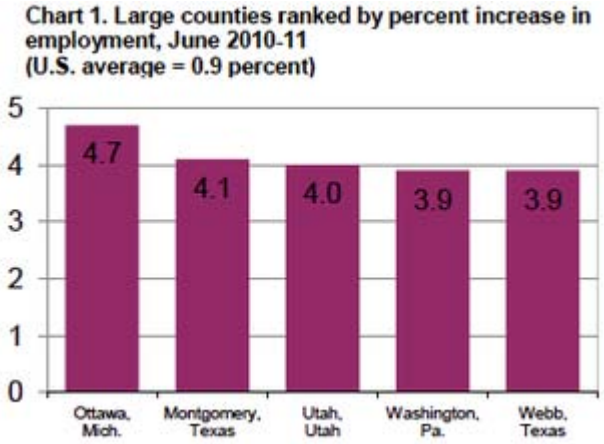
Ottawa tops the list of U.S. counties gaining the most jobs between June 2010 and June 2011

Published: Wednesday, January 11, 2012, 1:30 PM Updated: Wednesday, January 11, 2012, 2:05 PM

By **Jennie L Phipps | MLive.com Contributor**

Here's an interesting tidbit, courtesy of the Bureau of Labor Statistics, which announced today that from June 2010 to June 2011, **employment increased in 215 of the 322 largest U.S. counties**. Ottawa, Mich., posted the largest increase, with a gain of 4.7 percent year over year, compared with national job growth of 0.9 percent.

Within Ottawa, which includes the city of Holland, the largest employment increase occurred in manufacturing, which gained 2,514 jobs over the year (9 percent). Below is a list of the top five counties nationwide that gained the most jobs during this time period. These counties had a combined year-over-year gain of 174,600, or 15.4 percent of the overall employment increase for the U.S.



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Bureau of Labor Statistics

Ottawa County wasn't the only Michigan winner. Oakland and Saginaw counties were also on the federal top-10 lists:

Employment in large counties

Increase in employment, June 2010-11 (thousands)		Percent increase in employment, June 2010-11	
United States	1,131.6	United States	0.9
Harris, Texas	48.4	Ottawa, Mich.	4.7
New York, N.Y.	43.6	Montgomery, Texas	4.1
Cook, Ill.	28.1	Utah, Utah	4.0
Maricopa, Ariz.	28.0	Washington, Pa.	3.9
Dallas, Texas	26.5	Webb, Texas	3.9
Los Angeles, Calif.	24.7	Elkhart, Ind.	3.8
King, Wash.	22.9	Weld, Colo.	3.5
Miami-Dade, Fla.	20.8	Oakland, Mich.	3.3
Oakland, Mich.	20.3	Travis, Texas	3.3
Hennepin, Minn.	20.1	Saginaw, Mich.	3.2
		Washington, Ore.	3.2

View full size

Bureau of Labor Statistics

The same report said that as of June 2011, there were about 3.9 million people employed in Michigan, which was 1.8 percent more than were employed in June 2010. The average wage in June 2011 was $845 a week, which is 2.4 percent higher than it was in June of the previous year.

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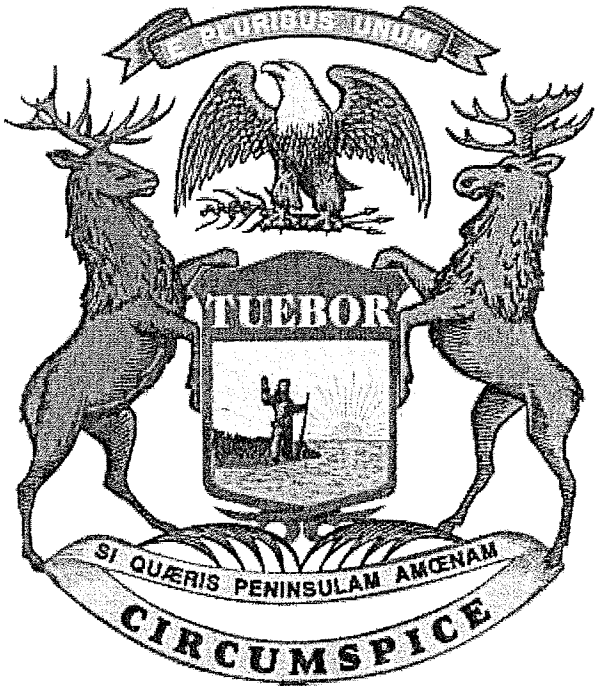
Consensus Revenue Agreement
Executive Summary
January 13, 2012

Economic and Revenue Forecasts
Fiscal Years 2012, 2013 and 2014



Principals

Ellen Jeffries, Director
Senate Fiscal Agency

Mary Ann Cleary, Director
House Fiscal Agency

Andy Dillon, State Treasurer
Michigan Department of Treasury

Staff

David Zin
Senate Fiscal Agency

Rebecca Ross
House Fiscal Agency

Jay Wortley
Michigan Department of Treasury

Table 1
Consensus Economic Forecast

January 2012

	Calendar 2010 Actual	Percent Change from Prior Year	Calendar 2011 Forecast	Percent Change from Prior Year	Calendar 2012 Forecast	Percent Change from Prior Year	Calendar 2013 Forecast	Percent Change from Prior Year	Calendar 2014 Forecast	Percent Change from Prior Year
United States										
Real Gross Domestic Product (Billions of Chained 2005 Dollars)	$13,088	3.0%	$13,310	1.7%	$13,576	2.0%	$13,875	2.2%	$14,250	2.7%
Implicit Price Deflator GDP (2005 = 100)	110.7	1.1%	113.1	2.2%	115.0	1.7%	117.0	1.7%	118.9	1.6%
Consumer Price Index (1982-84 = 100)	218.1	1.6%	225.0	3.2%	230.0	2.2%	234.4	1.9%	238.9	1.9%
Consumer Price Index - Fiscal Year (1982-84 = 100)	217.4	1.7%	223.3	2.7%	229.1	2.6%	233.5	1.9%	237.9	1.9%
Personal Consumption Deflator (2005 = 100)	111.1	1.8%	113.9	2.5%	115.6	1.5%	117.3	1.5%	119.1	1.5%
3-month Treasury Bills Interest Rate (percent)	0.1		0.1		0.1		0.2		0.6	
Aaa Corporate Bonds Interest Rate (percent)	4.9		4.7		4.0		4.2		4.4	
Unemployment Rate - Civilian (percent)	9.6		9.0		9.1		8.9		8.4	
Wage and Salary Employment (millions)	129.818	-0.8%	131.159	1.0%	132.340	0.9%	133.530	0.9%	135.400	1.4%
Housing Starts (millions of starts)	0.585	5.6%	0.597	2.0%	0.700	17.3%	0.873	24.7%	1.036	18.7%
Light Vehicle Sales (millions of units)	11.6	11.5%	12.7	9.5%	13.7	7.9%	14.5	5.8%	15.1	4.1%
Passenger Car Sales (millions of units)	5.7	3.6%	6.2	8.8%	6.7	8.1%	7.1	6.0%	7.4	4.2%
Light Truck Sales (millions of units)	5.8	18.4%	6.5	12.1%	7.0	7.7%	7.4	5.7%	7.7	4.1%
Big 3 Share of Light Vehicles (percent)	44.2		46.2		45.3		45.3		45.3	
Michigan										
Wage and Salary Employment (thousands)	3,861	-0.3%	3,927	1.7%	3,954	0.7%	3,986	0.8%	4,034	1.2%
Unemployment Rate (percent)	12.5		10.7		10.4		10.2		9.8	
Personal Income (millions of dollars)	$342,663	3.3%	$361,510	5.5%	$372,355	3.0%	$382,781	2.8%	$400,389	4.6%
Real Personal Income (millions of 1982-84 dollars)	$167,083	-0.7%	$170,443	2.0%	$171,592	0.7%	$173,282	1.0%	$178,030	2.7%
Wages and Salaries (millions of dollars)	$173,642	1.7%	$183,019	5.4%	$188,692	3.1%	$195,297	3.5%	$202,913	3.9%
Detroit Consumer Price Index (1982-84 = 100)	205.1	0.8%	212.1	3.4%	217.0	2.3%	220.9	1.8%	224.9	1.8%

Table 2

January 2012 Consensus Forecast

(millions)

Net Revenue Estimates

	FY 2011	FY 2012			FY 2013			FY 2014
	Prelim Actual	Adjusted May 2011 Consensus	Jan 2012 Consensus	Change From May	Adjusted May 2011 Consensus	Jan 2012 Consensus	Change From May	Jan 2012 Consensus
Net GF-GP Revenue	$8,813.0	$8,752.5	$9,030.5	$278.0	$8,908.1	$9,034.6	$126.5	$9,236.0
Growth	14.8%	0.8%	2.5%		1.8%	0.0%		2.2%
Net SAF Revenue	$11,248.2	$10,625.3	$10,763.6	$138.3	$10,965.2	$11,055.0	$89.8	$11,359.5
Growth	4.0%	-4.6%	-4.3%		3.2%	2.7%		2.8%
Combined GF-GP/SAF	$20,061.2	$19,377.8	$19,794.1	$416.3	$19,873.3	$20,089.6	$216.3	$20,595.5
Growth	8.5%	-2.2%	-1.3%		2.6%	1.5%		2.5%

Revenue Limit Calculation

	FY 2011	FY 2012	FY 2013	FY 2014
Personal Income	$342,302	$342,663	$362,538	$373,776
Ratio	9.49%	9.49%	9.49%	9.49%
Revenue Limit	$32,484.5	$32,518.7	$34,404.9	$35,471.3
Revenue Subject to Limit	$26,333.5	$26,354.8	$26,842.1	$27,581.6
Amount Under (Over) Limit	**$6,151.0**	**$6,164.0**	**$7,562.8**	**$7,889.8**

Note: CY 2009 Personal Income is used for the FY 2011 revenue limit calculation, CY 2010 for FY 2012, CY 2011 for FY 2013, and CY 2012 for FY 2014.

Long Term Revenue Trend

	FY 2015	FY 2016
Net GF-GP Revenue	$9,527.8	$9,925.5
Growth	3.2%	4.2%
Net SAF Revenue	$11,658.8	$11,977.2
Growth	2.6%	2.7%
Combined GF-GP/SAF	$21,186.6	$21,902.7
Growth	2.9%	3.4%

Budget Stabilization Fund Calculation

FY 2012 Calculations - Pay-Out	**($27.1)**
FY 2013 Calculations	**NO PAY-IN OR PAY-OUT**
FY 2014 Calculations	**NO PAY-IN OR PAY-OUT**

School Aid Index

	FY 2013	FY 2014
Revenue Adjustment Factor	**1.0239**	**1.0266**
Pupil Membership Factor	**1.0064**	**1.0045**
School Aid Index	**1.0305**	**1.0312**

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

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PROPOSED CONSENSUS ESTIMATE OF THE PUPIL MEMBERSHIP ADJUSTMENT FACTOR

Estimated FY 2012-13 Pupil Membership Adjustment Factor:

$$\frac{\text{FY 2011-12 Pupil Membership}}{\text{FY 2012-13 Pupil Membership}} = \frac{1{,}552{,}800}{1{,}542{,}900} = \mathbf{1.0064}$$

Estimated FY 2013-14 Pupil Membership Adjustment Factor:

$$\frac{\text{FY 2012-13 Pupil Membership}}{\text{FY 2013-14 Pupil Membership}} = \frac{1{,}542{,}900}{1{,}536{,}000} = \mathbf{1.0045}$$

HOUSE FISCAL AGENCY

STATE OF MICHIGAN State Budget Office

COMPARISON OF PROPOSED PUPIL MEMBERSHIP ESTIMATES
FY 2011-12, FY 2012-13, and FY 2013-14

PROPOSED ESTIMATED PUPIL MEMBERSHIPS

	MAY 2011 CONSENSUS ESTIMATE	PROPOSED JAN 2012 CONSENSUS ESTIMATE	CHANGE FROM MAY ESTIMATE
FY 2011-12			
LOCAL DISTRICTS	1,433,800	1,432,900	(900)
PUBLIC SCHOOL ACADEMIES	118,500	119,900	1,400
TOTAL	**1,552,300**	**1,552,800**	**500**
FY 2012-13			
LOCAL DISTRICTS	1,414,000	1,414,900	900
PUBLIC SCHOOL ACADEMIES	123,000	128,000	5,000
TOTAL	**1,537,000**	**1,542,900**	**5,900**
FY 2013-14			
LOCAL DISTRICTS	N/A	1,398,000	N/A
PUBLIC SCHOOL ACADEMIES	N/A	138,000	N/A
TOTAL	**N/A**	**1,536,000**	**N/A**
CHANGE FROM PRIOR YEAR			
FY 2011-12 to FY 2012-13	(15,300)	(9,900)	
FY 2012-13 to FY 2013-14	N/A	(6,900)	

HOUSE FISCAL AGENCY

STATE OF MICHIGAN Static Budget Office

2012 Brown Bag Lunch Schedule

Day	Date	Location	Room
Wednesday	January 11, 2012	Holland District Court	Training Room
Wednesday	April 11, 2012	Holland District Court	Training Room
Monday	July 2, 2012	Holland District Court	Training Room
Tuesday	October 2, 2012	Holland District Court	Training Room
Friday	January 13, 2012	Grand Haven County Building	Jury Assembly Room
Friday	April 13, 2012	Grand Haven County Building	Jury Assembly Room
Friday	July 6, 2012	Grand Haven County Building	Jury Assembly Room
Friday	October 5, 2012	Grand Haven County Building	Jury Assembly Room
Friday	January 20, 2012	Community Mental Health	CMH Board Room
Monday	April 16, 2012	Community Mental Health	CMH Board Room
Friday	July 20, 2012	Community Mental Health	CMH Board Room
Friday	October 12, 2012	Community Mental Health	CMH Board Room
Monday	January 16, 2012	Sheriff's Office	EOC Training Room
Friday	April 20, 2012	Sheriff's Office	EOC Training Room
Monday	July 23, 2012	Sheriff's Office	EOC Training Room
Monday	October 15, 2012	Sheriff's Office	EOC Training Room
Monday	January 23, 2012	Juvenile Services	Juvenile Services Classroom
Monday	April 23, 2012	Juvenile Services	Juvenile Services Classroom
Monday	July 30, 2012	Juvenile Services	Juvenile Services Classroom
Friday	October 19, 2012	Juvenile Services	Juvenile Services Classroom
Thursday	January 26, 2012	Fillmore Administration Complex	Downstairs Lunch Room
Wednesday	April 25, 2012	Fillmore Administration Complex	Downstairs Lunch Room
Tuesday	July 31, 2012	Fillmore Administration Complex	Downstairs Lunch Room
Monday	October 22, 2012	Fillmore Administration Complex	Downstairs Lunch Room
Monday	January 30, 2012	Public Health Department	Main Conference Room
Friday	April 27, 2012	Public Health Department	Main Conference Room
Friday	August 3, 2012	Public Health Department	Main Conference Room
Friday	October 26, 2012	Public Health Department	Main Conference Room
Tuesday	February 7, 2012	Hudsonville Human Services	Court Conference Room
Monday	April 30, 2012	Hudsonville Human Services	Court Conference Room
Tuesday	August 7, 2012	Hudsonville Human Services	Court Conference Room
Monday	October 29, 2012	Hudsonville Human Services	Court Conference Room

Brown Bag Luncheons are an informal time for individuals to meet and talk with myself, Assistant County Administrator, Keith Van Beek, and Human Resources Director, Marie Waalkes. The luncheons began in 2005, and we have received numerous compliments and encouragement to continue the luncheons. I invite you to attend and share your suggestions, thoughts, and concerns, as well as to discuss current happenings. If you have any questions, please feel free to contact me at (616) 738-4068.