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ANDERSON ECONOMIC GROUP

Economic Development Strategic Plan

Commissioned by:
Scio Township Downtown Development Authority

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Acknowledgements

In planning for future business growth in the community, the Township of Scio, through its Downtown Development Authority (DDA) and the Economic Study Task Force, has commissioned Anderson Economic Group to complete an economic development strategic plan to assist the community leaders in identifying and prioritizing key business development strategies for Scio Township. The following individuals have been involved in this effort.

SCIO DOWNTOWN DEVELOPMENT AUTHORITY BOARD

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Dan Arbour, Vice Chair

Jay Holland, Secretary/Treasurer

Dave Cornish

Doug Fox

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Donna Shirilla, Director, Research and Information, Ann Arbor SPARK

I. Executive Summary

PURPOSE OF REPORT

In planning for future business growth in the community, the Township of Scio, through its Downtown Development Authority (DDA) and the Economic Study Task Force, has retained Anderson Economic Group to complete an economic development strategic plan to assist the community leaders in identifying and prioritizing key business development strategies for Scio Township.

The purpose of this report is to guide Scio Township's economic development initiatives and formulate a strategic plan for creating a destination for businesses, employers, working families, and visitors. Our work includes a study of the entire Township, but our recommendations focus on a strategy to establish market-based priorities along the Jackson Road corridor, particularly at the intersections of Baker and Zeeb Roads.

MARKET OVERVIEW

Scio Township is a rural community west of Ann Arbor in central Washtenaw County. It is surrounded by the townships of Ann Arbor to the east, Lodi to the south, Lima to the west, and Webster to the north.

The study areas for the economic growth strategy lie along the Jackson Road corridor, the busiest thoroughfare in Scio Township. Areas with special consideration include the Baker, Zeeb, and Wagner interchanges along Jackson Road.

OVERVIEW OF APPROACH

We have utilized a variety of resources throughout the report process to help qualify our findings and support our recommendations. We have collaborated with the Scio Township Study Task Force and corresponded with other agencies that have offered different perspectives on the local market, including, but not limited to:

- Carlisle Wortman Associates, Inc.
- Scio Township Planning Commission
- Ann Arbor SPARK

In combination with the information provided by these agencies and other resources, we completed several analyses that gave us the ability to identify the township's strengths and weaknesses. We followed these quantitative analyses with a qualitative review, based on field work and industry expertise.

SUMMARY OF FINDINGS

Below is a summary of findings based on quantitative analyses supported by a qualitative assessment of the township:

- The Jackson Road corridor, along with the Baker and Zeeb Road interchanges present opportunities for business development that will be viable in the community.
- Scio Township's accessibility to the greater metro Detroit area through various transportation linkages is a great advantage. This connectivity will play a significant role in attracting employers to the community.

- The proximity to highly urbanized areas has a desirable effect on the community's population threshold, creating more sustainable business development opportunities.
- The township's population is expected to continue to grow at a faster rate than the competitive region, based on 2012 projections.
- The educational services and professional/scientific industries are both growing in Scio Township.
- Washtenaw County has a net inflow of 30,000 workers, implying that there is a relatively large employment base to draw workers from.
- Occupational employment in Scio Township exceeds Washtenaw County and the state in many of the highest profile positions, including management, business/financial, computer and mathematical, legal, and health practitioner/technicians (35.7 percent vs. 27.5 percent vs. 20.5 percent).
- Our office space analysis indicates a current surplus of smaller office suites, but shows a lack of options over 20,000 square feet in size.

DEVELOPMENT STRATEGY

Our development strategy focuses on the area along Jackson Road from Baker to Zeeb, with specific recommendations for those two intersections. Our full recommendations can be found in the section "Economic Development Strategy" on page 31. These recommendations include:

- Develop a business campus along Interstate 94 at either the Zeeb or Baker interchange. This campus should be focused on bringing in companies that need larger Class A office facilities, and should include limited space for retail and accommodations.
- An overall emphasis on higher intensity of land use along the Jackson Road corridor. This means over time redeveloping single-level facilities into multi-level structures that better utilize prime locations.
- Creating a town center atmosphere for Scio Township at the intersection of Zeeb and Jackson. This can be accomplished through redevelopment of existing buildings into mixed-use, multi-story structures that offer retail at street level in a pedestrian-oriented atmosphere.
- Focusing new retail development near the Zeeb/Jackson intersection, east to Wagner Road and west to Staebler Road.
- A concerted effort to physically integrate future development along Jackson with connecting roads, shared parking, and common access points.

Our strategy also identified specific industries that should be targeted for growth in Scio Township. These industries include:

- Information (publishing and related services, software, etc.),
- Telecommunications,
- Life-sciences (research and manufacturing), and
- Other research and development companies.

ABOUT ANDERSON ECONOMIC GROUP

Anderson Economic Group, LLC is an economic research and consulting firm that specializes in market research, land use economics, financial valuation, and public policy. Our work is based on the principles of professionalism, integrity and expertise. For more information visit: http://www.AndersonEconomicGroup.com.

II.Introduction

Scio Township experienced significant growth over the last two decades. Because Scio is such an attractive location to developers — having retained its rural character and proximity to Ann Arbor — township leaders want a constructive and well thought out plan for future growth.

PURPOSE OF REPORT

The primary purpose of this study is to assist the community leaders in identifying and prioritizing key business development strategies that will secure the long-term viability of Scio Township. The report will provide community leaders, businesses, agencies, and other organizations in Scio Township with a deeper understanding of the strengths and weaknesses in the community and ways to best channel future business growth efforts.

Township leaders have joined to give a renewed focus to Jackson Road as an important corridor in the community. With this development strategy, the township will be able to experience positive growth that will have little impact on the rural character of the residential community. The development strategy addresses concepts for a business campus and town center, and includes a study of the following corridors:

- Interstate 94
- Jackson Road
- Baker Road
- Zeeb Road
- Wagner Road

OVERVIEW OF REPORT

We begin our report with an overview of the market to build an understanding of the township's locational advantages and challenges. We then look directly at the *People* of Scio Township and surrounding areas.

The *People* section of the report includes two parts, *Demographics* and *Labor Force*, which study the trends of these groups over time and provide projections of growth. Our in-depth analysis of activities that have taken place in the labor force and in each industry will signal opportunities and specific advantages Scio Township has.

Following *People*, we provide an assessment of *Places*. These include places of major employment and infrastructure, a top-line assessment of residential areas in the township and potential retail opportunity. This section also includes in-depth analysis of the office space in Scio Township.

We conclude the report with detailed recommendations for sub-sections of the study area, including the Baker and Zeeb Road interchanges, and the Jackson Road corridor. We also provide a detailed business park concept, including industries that should be targeted and how to attract those businesses.

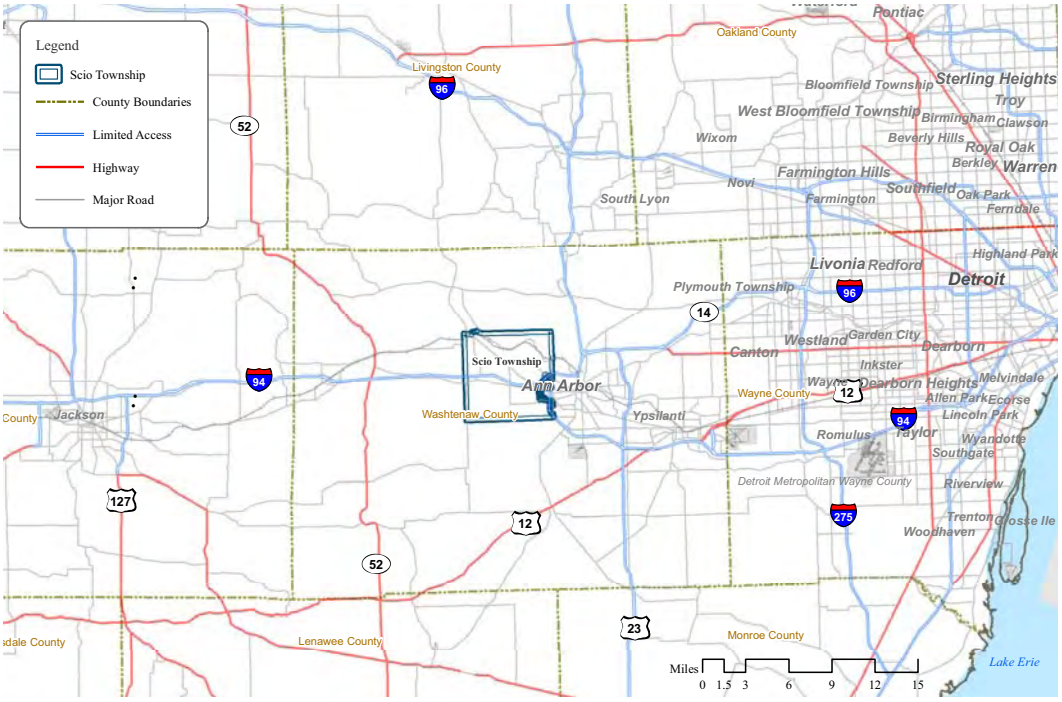
MARKET OVERVIEW

Scio Township, located in the center of Washtenaw County, lies west of Ann Arbor and approximately 25 miles east of Jackson. Scio Township is a rural community, despite its proximity to the highly urbanized City of Ann Arbor.

With a population of just over 19,000 in 2007[1], the community has seen most of its growth over the last two decades. With development pushing outward to the west from the Ann Arbor metropolitan area, Scio Township is a prime location for new growth.

Interstate 94 runs east/west through the center of Scio Township and parallel to Jackson Road, the main corridor. Figure 1, "Scio Township Overview Map," shows Scio Township's proximity to the Ann Arbor and Detroit metropolitan areas and the transportation networks it is connected to.

FIGURE 1. Scio Township Overview Map



Source: Anderson Economic Group, LLC 2008. Base map provided by ESRI, Inc. 2007.

1. ESRI, Inc. 2007.

III.Fundamentals of Site Selection

INTRODUCTION

This section of our report presents some of the fundamentals of formulating an optimal market strategy, and they serve as a foundation to our analytic approach and recommendations. We provide succinct descriptions of important factors considered by companies and retailers when comparing potential locations. These include the following:

Highway Visibility	Road Connectivities	First-In Benefits
Choice and Convenience	Clustering	Synergies
Critical Mass	Density	Highest and Best Use
Proximity to Workers		

Our recommendations assume that Scio Township will want to strive to support these concepts, and that doing so will help foster economic growth in the jurisdiction. Furthermore, the township should strive to overcome the patterns of land use that may appear to be permanent. They may seem to imply that the future is locked into low-density urban sprawl and fragmentation. However, development and implementation of a master plan that supports these concepts can eventually overcome.

That aside, other variables like competitive levels, market supply and demand, industry clusters, employment by occupation and industry, and worker flow patterns also factor into the decision-making process, and are addressed later in our report.

HIGHWAY VISIBILITY

Companies with nationally or regionally recognizable brands will compete for prime locations with highway visibility. Ideally, the zoning ordinances will allow a large logo on the side of the office building that can be easily seen from both east- and west-bound traffic along I-94. These signs provide advertising exposures that increase the brand recognition and identity among potential employers, clients, suppliers and competitors. With an average daily traffic of about 70,000 on I-94 through Scio Township, this equates to over 25 million exposures annually.

Some retail categories will also compete aggressively for highway visibility. Traditional land use patterns provide testimony to this, particularly among automotive dealerships, hotels, big-box retailers, furniture stores, national chain restaurants, cinemas, fitness centers and regional attractions. Prime locations with highway visibility typically sell at a premium, making it tough for independent business to compete with the national brands.

ROAD CONNECTIVITIES

Favorable transportation routes shorten drive-time distances for shoppers, which can enable stores to pull customers from farther away, resulting in a geographically larger trade area - and higher sales. Major highway interchanges tend to develop as regional shopping destinations, and retailers will tend to cluster and compete aggressively for the best parcels.

For stores located along corridors that parallel highways, it is important that they be as close to the highway interchanges as possible. In addition to highway access, visibility, ingress and egress into the store (ease of left and right turns in and out of the property), signage, and appropriate land use adjacencies are also important factors that can con-tribute to an individual store's success.

FIRST-IN BENEFITS

Some companies that are well-leveraged financially can afford to open in a market that initially seems premature, as long as they can achieve growth in revenues during those early years. Even with revenue gains, those early years may not be profitable. However, they will win in the long-term because they understand that consumers establish loyalties and shopping patterns, and these can be difficult to break by later competitors.

The first-in strategy is most evident among big-box discount stores like Wal-Mart, Meijer and Target. However, it can also be seen practiced by national chain convenience stores, pharmacies and grocery stores.

CHOICE AND CONVENIENCE

There are advantages to consumers if the business (and primarily retail) mix provides choices, and if those choices motivate business to lower prices and fees. Obviously, the more choices to choose from, the happier the consumers and clients. Choice among brands within a given business category can also translate into price competition in the free economy, resulting in better value for the consumers.

Convenience goes hand-in-hand with choice, and the two can be compared together. If the choices are convenient as a collective group, then the consumer is more likely to cross-shop between the businesses and stores. Cross-shopping helps generate additional sales, while again motivating businesses to lower their prices and fees.

Healthy competition can also motivate older businesses to renovate their buildings, expand, relocate, add parking, adjust their service offerings and/or change management. These improvements benefit both the business and the community. Even if the businesses lose some revenues from transfer to the new competition, combined revenues among the two operations can be higher, and consumers still have more choices.

CLUSTERING

Clustering refers to the physical proximity of similar uses together in an area that is convenient to shoppers seeking choice. Fast food chains, hotels, automotive dealerships, medical practitioners and furniture stores understand the concept well, and are adept at putting it into practice. They all understand that clustering provides

convenience, expands the trade area, encourages cross-shopping, and generates more retail sales.

For example, entertainment venues might cluster together, but it is unlikely that cine-mas or theaters would cluster together. Grocery stores tend to serve neighborhoods and niche markets, so also are less likely to cluster together.

SYNERGIES

Small tenants depend on anchors to draw customers from a larger region. If anchors are not included in a retail center, then many national chains will refuse to sign leases. They often sign "Co-tenancy Agreements" or "Contingency Leases" that become automatically void if the developer is unable to secure leases from proposed "Inducement Anchors."

The importance of inducement tenants to regional destinations is so pronounced that anchors of conventional regional shopping centers often receive special incentives packages from developers to participate in their project. If a developer is unsuccessful in securing leases from the specific anchors required by small tenants, then the quality, scale and effectiveness of the entire project is at risk. In the worst-case scenario, the project never materializes and the land is sold or "traded-down" for some less optimal use.

CRITICAL MASS

Critical Mass refers to the collective volume of retail space that is clustered together. It is possible to have a small number of stores clustered together with poor critical mass, but it is difficult to achieve critical mass without clustering. Critical mass contributes to the retail drawing power of the collective group.

For example, if a chain apparel store locates alone or even in a small cluster of isolated retail, then it will probably have a small trade area. However, if it is proximate to a regional shopping center that provides a critical mass of department stores, then it is more likely to share that larger trade area.

The collective group of stores is able to pull shoppers from a larger distance away simply by offering choice and cross-shopping opportunities. Better yet, those shoppers will shop the destination more frequently, bring other shoppers along, stay longer and ideally, spend more.

COHESIVENESS

Generally speaking, cohesion refers to the bonds or "glue" that brings elements of a community together. In planning and real estate development it is generally understood that various land uses will perform best when they achieve some level of cohesiveness through common access and shared parking.

Cohesiveness becomes practical when various uses are physically proximate to each another. Office space and residential units above street front retail, or parking decks shared between a medical campus and regional mall can help knit the urban fabric together and convey cohesiveness. These mixed-use formats relate neatly to

contemporary planning movements like New Urbanism, Neo-Traditionalism, Smart Growth and Anti-Sprawl.

Also on the subject of cohesiveness, it is recommended that every new retail center include at least one anchor with at least 15,000 square feet, or roughly the size of a typical pharmacy store. The anchor store should be physically attached to the small shops. If it cannot or will not be physically attached, then it must offer common access, shared parking and sidewalks connecting the buildings.

Retail projects lacking anchors are likely to have high vacancy rates. Developers and landlords will be forced to lower the rents, which in turn will lower the quality of tenants and exacerbate the problem.

DENSITY

Density refers to the amount of building space that is developed on any given parcel or acre. Traditionally, density (together with critical mass and clustering) has been mis-diagnosed as the leading contributor to urban dilemmas like traffic congestion; visual, noise, and air pollution; and loss of vista views and air rights to sky-scrapers. Conventional wisdom now reveals that a density of uses can actually minimize most of these ailments, and that vista views can be preserved by managing the height, footprint and scale of buildings.

Today, many rural communities still practice low-density planning, usually be requiring that all residential developments achieve density ratios of no more than 1 unit per acre. Unfortunately, this approach increases the distances between buildings, which adds costs to infrastructure and roads. It also adds to traffic congestion because residents are driving further to get between destination. Finally, it gobbles land resources and divides them among privatized ownership, reducing the amount of green space that can be made available to the general public.

The modern approach to Urbanism calls for a more balanced approach. If buildings are positioned proximate to each other in a cohesive, synergistic and clustering fashion, then they can share resources like parking, utilities and green space. Further, it means that larger tracts of land can be set aside for public areas, parks and recreational resources. A good balance between building density and public green space is ideal and can help combat the negative effects of sprawl.

HIGHEST AND BEST USE

Highest and best use of land can be difficult to pin. Analytically, it requires a close study and comparison between costs and potential revenues among alternative land use categories, with the assumption that the most profitable use will win. For taxing jurisdictions, it might be more loosely defined by businesses that are most productivity by generating the highest taxable revenues per square foot.

We typically formulate recommendations for jurisdictions that are highly productive but that also include elements necessary for businesses to achieve that productivity. For example, shared parking and public green space may not be revenue-

generating, but they are essential for businesses to compete and optimize productivity.

Similarly, when formulating a list of recommended businesses, tenants and merchants for a project of a fixed size, we may give some preference to categories that are most productive, but we will not ignore other necessities under the requirements of convenience and choice. A library or community center may not be very productive in revenues per square foot, but may still be necessary to meet the needs and expectations of resident families and to draw shoppers to the region.

These caveats aside, it is important to recognize that some unique retail categories have among the lowest productivity measures. A few examples includes traditional movie theaters; amusement parks; and antique, consignment and thrift stores; and amusement parks.

QUALITY

Even if a new development is able to optimize its highway visibility, has good road connectivities, is the first-in for the market, enhances choice and convenience, contributes to clustering, synergies, and critical mass; supports density goals; and is the highest and best use for the land, it can still flounder if the surrounding market is of a low quality.

A “low quality” community can be easily misinterpreted to mean that its residents have low incomes, that businesses are of an “undesirable” mix (usually associated with taverns, adult book stores, pawn shops and tattoo parlors) or that perceptions of crime are high. These may be outcomes, but the root of the problem usually runs deeper, and may traced back to a combination of the following:

1. Property improvements are prohibitively expensive because minor maintenance items require significant overhauls to meet modern code requirements. As a result, landlords and business owners are slow to maintain the properties.

2. The jurisdiction is unable to provide adequate public services because tax revenues are low. This becomes a self-perpetuating problem, where a lack of services downgrades the community quality, which lowers the rents and attracts businesses with lower revenue requirements. Tax increment financing, Brownfields, Renaissance Zones, Smart Zones are proven planning tools that can help in qualifying districts.

3. The jurisdiction is unwilling or uninformed regarding the importance of investment in the community. Amenities like landscaping, wayfinding, attractive illumination, buried utility cables and pedestrian friendly amenities often fall to the bottom of the list of priorities, but can be instrumental in attracting new businesses.

4. The community image and identity is marred by its past and history, including significant media events, internal political turbulence, or related issues. The local business climate may not be perceived as developer-friendly, for whatever reason. Some jurisdictions have gone so far as to consider name changes. Time and political

elections can help overcome related issues. Proactive marketing can also be effective, but short-term results may require costly radio / television campaigns.

5. The jurisdiction has traditionally been rural in its character, and may be a Township that lacks a traditional downtown shopping district, identity or image. This can sometimes be overcome by development of planned downtown or Towne Centre that conveys a sense of place or sense of having arrived somewhere that is enjoyable for shopping, living, working and playing.

PROXIMITY TO WORKERS

We address the issue of proximity to workers last, but it is by no means the least important. In fact, it can easily override any of the preceding items. If a community offers a limited pool of potential employees, then this can significantly limit its ability to compete for new companies and businesses. Furthermore, the labor force must offer a mix of skilled workers, service and support staff.

Human resources can be the most expensive and most important asset that a company holds. At the professional staff levels and in a favorable economic climate, companies will compete for the best employees by offering competitive compensation packages, benefits, perks, flex-time and other incentives. When a valued employee is lost through turn-over, then the position must be filled by someone else in the labor force. If the pool of workers is small, this can be particularly challenging.

To provide a competitive labor force jurisdictions must be prepared to support housing developments that attract new resident families, as long as these developments align with codes and regulations. Modern formats like townhouses, rowhouses, condominiums, stacked flats and apartments above street-front retail are all good options to consider for mixed-use projects that are designed to attract companies and businesses.

These concepts apply directly to Scio Township. We have not conducted a rigorous analysis of housing supply and demand, and have not been asked to formulate strategic recommendations for future residential units in Scio Township. However, it is essential that the township have a housing plan in place and that a consensus be reached on the importance of resident workers for attracting companies and businesses.

OTHER VARIABLES

Related items like land costs, environmental limitations, zoning and master planning, availability of public utilities (including wastewater treatment plants - a particular concern for Scio Township), local taxes, permit fees and the site plan review process also factor into the site selection process. These and other planning-related matters are being addressed by the Township new Master Plan, which is nearing completion by the professional planning team of Carlisle/Wortman & Associates, Inc.

IV.People

In order to determine the overall demand potential for Scio Township, we must understand the market demographics and labor force makeup of the area. To accomplish this, we have analyzed key socioeconomic variables for the Township and measured those results against the competitive region and the State of Michigan. More detailed results of this analysis are in the attached appendix.

DEMOGRAPHICS

Population and Growth

Scio Township grew at an annual growth rate of 3.9 percent between 1990 and 2000, outpacing the City of Ann Arbor (0.3 percent), Washtenaw County (1.3 percent), and the State of Michigan (0.7 percent). Between 2000 and 2007, Scio Townships' annual growth of 2.7 percent continued to outpace the City of Ann Arbor (0.6 percent), Washtenaw County (1.4 percent), and the State of Michigan (0.5 percent). The Township is expected to continue to grow at a faster rate than the competitive region, based on 2012 projections. See Exhibit B-1, "Population and Income Data - Scio Township, Region, and State," in Appendix B for further details.

Per Capita Income and Growth

Growth in per capita income for Scio Township between 1989 and 1999 trailed both Washtenaw County and the State of Michigan at a 4.2 percent compound annual growth rate (CAGR). It was 0.1 percent higher than Ann Arbor over this same time period. While growth in per capita income in Scio Township dipped to 3.4 percent between 1999 and 2007 due to sluggish economic conditions, this growth rate exceeded the City of Ann Arbor, Washtenaw County, and the State of Michigan, but trailed the Effective Trade Area (ETA) by 0.1 percent. From 2007-2012, growth in per capita income in Scio Township is expected to increase to 4.1 percent, as shown on Exhibit B-1, "Population and Income Data - Scio Township, Region, and State," in Appendix B.

Educational Attainment

Scio Township had a relatively high share of residents with a 4-year degree or higher (55.6 percent), ahead of Washtenaw County (48.1 percent) and the State of Michigan (21.8 percent), but trailing the City of Ann Arbor (69.3 percent). Most of the residents have at least some college experience (81.1 percent), again ahead of Washtenaw County (74.4 percent) and the State of Michigan (52.1 percent) but trailing the City of Ann Arbor (86.8 percent). For a visual presentation of this data, see Exhibit B-5, "Educational Attainment - Scio Township, Region, and the State - 2000," in Appendix B.

Age Profiles

The median age of residents in Scio Township was 36.8 in 2000 and 37.9 in 2007. This increase in median age is an indicator of an aging population and possibly an increasing population size of active seniors, retirees, and empty nesters. In comparison, the median age for the State of Michigan was 35.5 in 2000 and 37.4 in 2007. Both the City of Ann Arbor and Washtenaw County had median ages lower than Scio Township, likely due to the student population at the University of Michigan-Ann Arbor. Exhibit B-4, "Age Group Brackets - Scio Township and Washtenaw County - 2007," in Appendix B illustrates these results further.

LABOR FORCE

We have analyzed the local labor force to determine the overall viability of Scio Township for job creation and business recruitment and retention. The examination of key indicators is an essential step in identifying a mix of businesses that will be sustainable and complement the community's long range goals. Key indicators include population density and growth trends, housing growth patterns, access to institutes of higher learning, transportation linkages, and proximity to densely populated areas.

Total Employment

Washtenaw County's labor force reached its trailing decade high of 191,676 in 2001 before falling more than 3 percent to 185,239 in 2002. Over the last decade, the labor force has grown by nearly 11 percent to 189,324 in 2007. At this level, the labor force is only 1 percent off the 2001 high.

The statewide labor force lagged the changes the county saw. The state labor force reached its trailing decade high of 5.1 million in 2000 and again in 2001. Like the county, the state labor force fell in 2002 to 5.0 million. From 2004 through 2006 the labor force steadily grew, approaching the levels of 2000 and 2001. However, it dropped again to 5.0 million in 2007, with the largest decrease in the state labor force since 2002. Since 1997, Michigan has seen an increase of 1 percent in its labor force.

The county's employment also reached its trailing decade high of 186,097 in 2001 then fell by 4 percent to 178,587 in 2002 as shown in Table 1 on page 13. From 1997 through 2007, employment has grown over 12 percent to 180,312. Compared to the state, Washtenaw County has had higher growth rates and lower rates of decline over the last decade, with exception for the year 2002. The state reached its trailing decade high in the year 2000 with employment of 4.9 million and fell by nearly 5 percent in 2007 to 4.6 million. For more details regarding total employment, see Exhibit B-6, "Total Employment vs. Unemployment Trends - Washtenaw County - 1990 to 2006" and Exhibit B-8, "Labor Force and Total Employment Trends - Washtenaw, Livingston, Jackson counties, and the State - 1990 - 2006," in Appendix B.

Unemployment

Over the last decade, Washtenaw County has remained at a significantly lower unemployment rate than the state, standing at 4.8 percent in 2007, versus 7.2 percent statewide. In 1999, the unemployment rate in the county reached an all time low of 1.6 percent before beginning to trend upward in 2000, rising to 2.3 percent, as shown in Table 1 on page 13.

The state's unemployment rate began to rise in 2001, growing from 3.7 percent in 2000 to 5.2 percent. the year 2004 brought the highest unemployment levels of the trailing decade, 4.3 percent in the county and 7.1 percent statewide. Since that high point, unemployment in the county has continued to increase, but at a lower rate than the previous five years. Unemployment across the state has dropped and risen since 2004, but only by a 0.3 percent margin. For a visual presentation of unemployment trends in the surrounding regions and the state, please see Exhibit B-7, "Unemployment Rates - Southern Michigan regions and the State - 1990 - 2007," in Appendix B.

TABLE 1. Washtenaw County Employment Trends - 1997-2007

Year	Labor Force	Employment	Unemployment	Unemployment Rate (%)
1997	167,441	164,080	3,361	2.0
1998	171,045	168,046	2,999	1.8
1999	175,147	172,279	2,868	1.6
2000	185,202	180,898	4,304	2.3
2001	191,676	186,097	5,579	2.9
2002	185,239	178,587	6,652	3.6
2003	184,550	176,993	7,557	4.1
2004	187,833	179,721	8,112	4.3
2005	190,931	182,531	8,400	4.4
2006	191,460	182,634	8,826	4.6
2007	189,324	180,312	9,012	4.8

Source: Bureau of Labor Statistics, 2008, Local Area Unemployment Statistics (LAUS).

Employment by Industry

Scio Township industry-sector employment has seen growth in most of its industries from 2000 to 2007. The service industry has been steadily growing in Scio Township over the last several years and is the leading employer in Scio Township, accounting for 54.6 percent of employment in 2007. The second largest share of employment in 2007 went to the manufacturing industry, with 11.9 percent. However, similar to the State of Michigan, Scio Township saw a decrease in employment in the manufacturing industry from 2000 to 2007, going from a share of 16.1 percent down to 11.9 percent.[2]

Manufacturing was not the only industry in Scio Township that decreased in its share of total employment; transportation, warehousing, utilities, and information went down from 5.9 percent in 2000 to 5.5 percent in 2007. The retail trade industry had the third highest share of total employment in Scio Township last year at 10.5 percent, followed by finance, insurance, and real estate (FIRE) with 5.9 percent. Both industries grew between 2000 and 2007.

The construction industry grew from 2000 to 2007, employing 4.7 percent of the workforce last year. The remaining industries in descending order include public administration, wholesale trade, and farming, agriculture and mining, all of which employed less than 7 percent of the total workforce last year.

TABLE 2. Scio Township Share of Employment by Industry

	2000		2007		CAGR (%)
Industry	**# Share**	**% Share**	**# Share**	**% Share**	**2000-2007**
Services	4,569	51.3	5,438	54.6	2.5
Manufacturing	1,430	16.1	1,185	11.9	-2.7
Retail Trade, Accommodations, and Food	928	10.4	1,050	10.5	1.8
Finance, Insurance, Real Estate	477	5.4	588	5.9	3.0
Transportation, Warehousing, Utilities, Information	522	5.9	548	5.5	0.7
Construction	395	4.4	468	4.7	2.5
Public Administration	256	2.9	306	3.1	2.6
Wholesale Trade	271	3.0	302	3.0	1.6
Farming, Agriculture, Mining	56	0.6	70	0.7	3.2

Source: Base data provided by ESRI, Inc. 2008. Analysis by Anderson Economic Group, LLC 2008.

For a visual display of change in shares of employment by industry in Washtenaw, surrounding counties, and the state, please see Exhibit B-10 through Exhibit B-13 in Appendix B.

Employment by Occupation

Another way to classify employment types within an area is to reference specific job duties, rather than the part of the economy in which it exists. Occupational data describes employment in this manner. All of the major occupational categories are depicted in Exhibit B-14, "Employment by Occupation - Scio Township, Washtenaw County, and the State of Michigan - 2007," in Appendix B.

The table also lists the average salaries in 2007 for these occupations for Scio Township (Ann Arbor Metropolitan Statistical Area - MSA) and the State of Michigan. The MSA was used due to lack of data at the local community level.

2. The State of Michigan saw a 3.6 percent decrease in the manufacturing employment industry from 2000 to 2007. Base data provided by ESRI, Inc., 2008.

Occupational employment in Scio Township exceeds Washtenaw County and the state in many of the highest profile positions (35.7 percent vs. 27.5 percent versus 20.5 percent). These high profile occupations include management, business/financial, computer and mathematical, legal, and health practitioner/technicians. The mean salaries for many of these positions, however, are lower in the local market than in the State.

Conversely, the level of blue-collar employment (measured by the sum of the construction/maintenance and the production/transportation occupations) is significantly lower in Scio Township (11.5 percent) than the county (14.3 percent) and the state (25.7 percent). Salaries, however were higher in each of these occupations in Scio Township, compared to the county and the state.

Location Quotient and Shift-Share Analysis

The Location Quotient analysis (LQ) helps us identify local industries and occupations that are over represented (exporting) or under represented (importing) in a local market. In most cases, the location quotient reinforces what communities already know about their local economy, however it does uncover the order of magnitude and unique qualities that may have been overlooked.

The Shift-Share analysis looks into local economic growth as compared to a larger region. The shift analysis measures whether particular industries or occupations are growing or shrinking locally, or growing/shrinking on a larger scale. Likewise, the share analysis measures share of a particular industry or occupation as a proportion to the overall employment, and whether the share is growing or shrinking, locally or regionally.

Industries. The results of the LQ analysis for Scio Township indicate that the educational services and professional/scientific industries have the highest LQ score and in turn the highest export potential. Both of these industries are growing according to the shift-share results.

Some of the industries with the lowest LQ scores include accommodation and food services and manufacturing. The accommodation and food service industry is growing in terms of both shift and share, however and not surprisingly, the manufacturing industry is shrinking in both aspects.

Occupation. Occupations in Scio Township with the highest LQ scores include life/physical/social science, computer and mathematical, and arts/design/entertainment/sports/media, however none of these occupations are growing according to the shift-share results. Occupations in legal services and among health practitioners and technicians have the next highest LQ scores, and they are growing in terms of both shift and share.

Jobs related to installation/maintenance/repair and farming/fishing/forestry have some of the lowest LQ scores in Scio Township and are also shrinking according to

the shift-share analysis. Occupations in healthcare support have a low LQ score, however are growing in terms of both shift and share.

Summaries of the Location Quotient and Shift-Share Analyses for employment by industry and occupation are provided in Exhibit B-15 and Exhibit B-16. Supporting exhibits are available in Exhibit B-17 through Exhibit B-22 in Appendix B.

Commuting and Travel Time to Work

Statistics from the 2000 Census show that a majority (82.8 percent) of workers who live in Scio Township, work in Washtenaw County. However, only 20 percent live and work within the Township. Compared to Ann Arbor Township, 73.8 percent of the labor force works in Washtenaw County and 16.4 percent both live and work within Ann Arbor Township.

TABLE 3. Where the Workforce is Working - Scio Township, Ann Arbor Township, and Ann Arbor City - 2000

Location	Total Workers	Worked in Same County as Residence	Share of Total (%)	Worked in Same Local Community as Residence	Share of Total (%)
Scio Township	8,780	7,266	82.8	1,760	20.0
Ann Arbor Township	2,492	1,839	73.8	409	16.4
City of Ann Arbor	60,188	50,284	83.5	40,148	66.7

Source: Anderson Economic Group, LLC 2008. Base data provided by Census 1990 and 2000 SF3 and SFT3 Tables P26, P29, and P045.

Exhibit B-23, "Commuter Data - Scio Township, Trade Areas, Washtenaw County and State," in Appendix B illustrates that 89.1 percent of the commuters in Scio Township are traveling by private transportation and less than 1 percent utilize public transportation.

Half of the commuting employees in Scio Township travel between 15 and 29 minutes to work, and only 23.5 percent commute more than 30 minutes to work. Comparatively, 40.4 percent in Washtenaw County and 38. percent of the commuters in the state travel between 15 and 29 minutes to work. Based on these results, it appears commuters in Scio Township prefer to work relatively close to where they live.

Worker Flow Analysis

A worker flow analysis studies the patterns of employment and residency between counties within a given region. Census limits geographies to the county level, so for Scio Township, we have analyzed Washtenaw County versus the surrounding region.

Table 4 on page 17 shows the total number of employed residents in Washtenaw County, along with the geography in which the residents work. Roughly 77 percent

of the employed residents in Washtenaw County actually work in the county. About 14 percent of the local labor force work in Wayne County and 4 percent work in Oakland County.

TABLE 4. Washtenaw County Residents and Where They Work - Outflow - 2000

Location	Residents of County and Where They Work	Share of Total (%)
Washtenaw County	129,808	76.7
Wayne County	23,269	13.8
Oakland County	6,864	4.1
Livingston County	2,250	1.3
Monroe County	1,085	0.6
Jackson County	1,044	0.6
Lenawee County	872	0.5
Macomb County	715	0.4
Ingham County	532	0.3
All Other Areas	2,730	1.6

Source: Anderson Economic Group, LLC 2008.
Base data provided by Census County-to-County Work Flow Tables, 2000.

Table 5 shows the total number of employed residents by county, along with the number and percent of employed residents living in that same county. Among all the workers in Washtenaw County, 35.0 percent commute in from outside of the county. Two of the largest contributors of employees are Wayne County (12.5 percent) and Livingston County (5.5 percent).

TABLE 5. Washtenaw County Workers and Where They Live - Inflow - 2000

Location	Pop. That Works in County and Lives in Corresponding County	Share of Total (%)
Washtenaw County	129,808	65.0
Wayne County	25,015	12.5
Livingston County	11,033	5.5
Jackson County	8,223	4.1
Lenawee County	7,008	3.5
Oakland County	6,723	3.4
Monroe County	4,587	2.3
Ingham County	1,642	0.8
Genesee County	1,054	0.5
All Other Areas	4,757	2.4

Source: Anderson Economic Group, LLC 2008.
Base data provided by Census County-to-County Work Flow Tables, 2000.

The difference between the number of workers commuting in and workers commuting from the originating county results in a net workflow for that county. Table 6 illustrates the inflow, outflow, and net of workers in Washtenaw County and the competing region.

TABLE 6. Inflow - Outflow Analysis (Net Workflow) - Washtenaw County - 2000

Location	Implied Inflow of Workers	Implied Outflow of Workers	Inflow - Outflow (Net Workflow)
Washtenaw County	70,042	39,361	30,681
Ingham County	59,232	27,273	31,959
Jackson County	10,156	16,929	-6,773
Lenawee County	6,222	14,759	-8,537
Livingston County	20,155	45,884	-25,729
Monroe County	13,324	33,633	-20,309
Oakland County	290,306	174,731	115,575
Wayne County	233,761	208,906	24,855

Source: Anderson Economic Group, LLC 2008. Base data provided by US Census Bureau.

Results indicate that Washtenaw County has 30,000 more workers entering into the county to work, than are leaving the county to work elsewhere. This implies that Washtenaw County has a relatively large employment base to draw workers to. It also indicates that more local workers could be filling those positions, rather than having them filled from outside of the county.

V. Places

The previous section focused on the people in Scio Township and surrounding areas; we will now discuss places in the region. This section gives our assessment of major employers and other essential components, including infrastructure, retail, and residential. An in-depth analysis of office space is also included, which covers industry trends, business inventories, and business parks.

MAJOR EMPLOYERS

Scio Township has ten employers who employ 100 or more full-time positions. The majority of these companies are involved with publishing, creating software, or manufacturing equipment. A list of the top twenty employers is shown in Table 7.

TABLE 7. Top twenty employers in Scio Township - 2008

Company Name	Description	Full-Time Jobs
Thomson Tax & Accounting	Computer software	916
Terumo Cardiovascular Systems	Medical equipment manufacturing	410
Comcast	Cable TV, Internet	300
Malloy Lithographing Inc.	Book printing	295
National Archive Publishing Company	Microfilm, digital conversion	283
Thetford Corporation	Leisure sanitation equipment	230
Sheridan Books - Ann Arbor	Book manufacturing, distribution	156
Sweepster, Inc.	Power sweepers and brushes manufacturing	148
Inmet Corp.	Wireless telecommunications components manufacturing	100
Nagel Precision	Machine tool manufacturing	100
MediaSpan Software	Media programming for content and advertising	96
Rosedale Products	Liquid filtration systems technology and manufacturing	70
Terumo Heart	Mechanical circulatory assist product manufacturing	70
Kaiser Optical Systems, Inc.	Spectrographic instrumentation & applied holographic technology	69
UnderGroundShirts	Silk screening shirts and products	58
QED Environmental Systems Inc.	Env. compliance products - Engineering, production, customer service	55
General Scientific Corporation	Precision optics technology and manufacturing	50
Baseview Products	Software for newspapers - advertising, circulation	40
Pall Life Sciences, Inc.	Medical membranes, filtration devices, separation systems	40
White Pine Printers, Inc.	Lithographic printing	40

Source: Data provided by Ann Arbor SPARK, 2008.

Thomson Tax & Accounting is the largest employer in Scio Township, just shy of 1,000 full-time employees. They are a provider of technology and information solutions, as well as integrated tax compliance software and services for accounting, tax and corporate finance professionals in accounting firms, corporations, law firms, and government.

Terumo Cardiovascular Systems develops, manufactures, and markets medical devices for the global cardiac surgery markets. It is a subsidiary of Terumo Corporation of Japan, employing over 400 people in Scio Township.

Most of the major employers in Scio Township are clustered along the Jackson Road corridor, near to the 94 interchanges. This clustering is shown in Exhibit C-2, "Major Employers in Scio Township," in Appendix C, supporting the theory that highway proximity and visibility are essential elements for employers. This indicates that Jackson Road is a strong candidate for business recruitment as it runs parallel to Interstate 94.

INFRASTRUCTURE ASSESSMENT

An assessment of the infrastructure in Scio Township and the surrounding region provides a deeper understanding of locational advantages and challenges that the community faces. Looking at educational institutions, medical facilities, utilities, transportation networks, and airports will help to qualify our recommendations and support our findings.

Higher Education Institutions

Scio Township's proximity to several colleges and universities will be an advantage in recruiting employers to the community. Washtenaw County encompasses several colleges and universities and Scio Township has ideal proximity to them, including The University of Michigan, Eastern Michigan University, Washtenaw Community College, Cleary University, and Concordia University. All of these educational facilities are within 15 miles of the Township.

The University of Michigan is located in Ann Arbor less than 5 miles east of Scio Township. Established in 1817, it is one of the most well known universities in the nation, offering over 200 undergraduate programs as well as many graduate programs. The campus has over 40,000 students in the main campus.

Eastern Michigan University lies about 10 miles southeast of Scio Township in Ypsilanti. It was founded in 1849 and began as a teachers' college. Today, the university has over 22,000 undergraduate and over 4,800 graduate students.

Washtenaw Community College was founded in 1965 and is located midway between the University of Michigan and Eastern Michigan University. The community college has comprehensive training partnerships with local and national businesses and organizations, and transfer agreements with the University of Michigan, Eastern Michigan University, and University of Michigan-Dearborn.

Cleary University is a non-profit, specialized business university with campuses in Ann Arbor and Howell. The university offers about 20 undergraduate programs as well as a few graduate degrees. Concordia University is a private, liberal arts university in Ann Arbor. It has approximately 600 students, offering over 40 areas of study, a set of adult education programs, and a variety of study abroad activities. Both Cleary and Concordia University are located within 10 miles of Scio.

Medical Facilities

Health care plays a large role in Scio Township's economy. The regional market is served by two major hospitals and several smaller hospitals. The two largest health care centers in Washtenaw County are St. Joseph Mercy Hospital and the University of Michigan Health System, both located in Ann Arbor. Other facilities located in proximity to Scio Township include Chelsea Community Hospital, St. Joseph Mercy Hospital-Saline in Saline, Select Specialty Hospital in Ypsilanti, and Oakwood Hospital Beyer Center, also in Ypsilanti.

St. Joseph Mercy Hospital is a 529-bed teaching hospital. The hospital's specialties include cancer and cardiovascular care, orthopedics, neurosciences, and women and children's health (including neonatal intensive care). The University of Michigan Health System is licensed for 913 beds. The three hospitals operating within the system include University Hospital, C.S. Mott Children's Hospital, and Women's Hospital. It also includes approximately 30 health centers and 120 outpatient clinics, located throughout Washtenaw, Wayne, Oakland, and Livingston Counties.

Local Schools

There are two school districts in Scio Township, Dexter Community School District and Ann Arbor Public Schools. Combined, these school districts enrolled over 20,000 students in 2007, nearly one third of Washtenaw County's total student enrollment for the year. In that year, Dexter Community School District held the highest proficiency rate in both reading and mathematics in comparison to Ann Arbor Public Schools, Washtenaw County, and the state with 91.6 percent and 86.7 percent, respectively.

TABLE 8. State Reading and Math Test Scores - 2007

School District / Geography	Enrollment	Reading Proficiency (%)	Math Proficiency (%)
State of Michigan	1,741,845	78.3	68.8
Washtenaw County	70,529	84.5	76.6
Dexter Community School District	3,630	91.6	86.7
Ann Arbor Public Schools	16,953	89.5	85.5

Source: Standard & Poor's State Education Data Center (www.schooldatadirect.org).

Major Roads and Highways

Scio Township has good connectivity to several major transportation networks, including I-94 heading east to Detroit and west toward Chicago and US 23 heading north toward Saginaw and south to Toledo. Jackson Road is the major thoroughfare in Scio Township, running alongside I-94 and leading into the heart of downtown Ann Arbor.

Zeeb and Baker Roads are two main arterials that are perpendicular to Jackson. Zeeb Road runs straight down the middle of Scio Township and through to Lodi, just south of the township boundary. Baker Road runs parallel to the western township boundary road, just one half mile east and is a hub for truckers and travelers.

Dexter Ann Arbor Road is another main road that runs diagonally through the township before running into Huron Street along with Jackson Avenue in Ann Arbor. Dexter Ann Arbor Road is a scenic route through residential areas in Scio Township and runs straight into downtown Dexter.

As seen in Exhibit C-3, "Two-Way Traffic Counts in Scio Township," in Appendix C, traffic along I-94 exceeds 79,000 vehicles a day. Jackson Road receives the most traffic at Wagner Road, with traffic counts exceeding 24,000 vehicles a day both east and westbound. This is most likely due to large numbers of commuters traveling into Ann Arbor for work by day. Traffic counts are the lowest on Jackson Road west of Baker Road at just over 10,000 vehicles per day heading both ways.

Airports

There are numerous airports within a 30 minute drive of Scio Township. These include 2 major international airports and a number of corporate and executive airports. Table 9 provides a listing of airports in the Scio market.

TABLE 9. Area Airports

Airport	Community Name
Al Meyers Airport	Tecumseh
Ann Arbor Municipal	Ann Arbor
Brighton	Brighton
Coleman A. Young International Airport	Detroit
Detroit Metro Wayne County	Detroit
Lenawee County	Adrian
Livingston County	Howell
Monroe Custer	Monroe
Oakland County International Airport	Waterford
Saline Municipal	Saline
Willow Run	Van Buren Charter Township

Source: Anderson Economic Group, LLC 2008.

Located approximately 25 miles from Scio Township, the Detroit Metro Wayne County Airport (DTW) is an international airport in Romulus. It is the busiest airport in Michigan and has six runways, serving approximately 36 million people per year. DTW employs 18,200 people and has had a total jobs impact in Michigan of 71,000.[3]

Also managed by the Wayne County Airport Authority, Willow Run Airport is located seven miles west of DTW and about 15 miles east of Scio Township. Willow Run offers five runways and is the third largest airport in Michigan.[4]

Oakland County International Airport (OCIA) is located just under 50 miles northeast of Scio Township in Waterford. It is the sixth busiest airport in the United States without scheduled passenger service. OCIO is an important hub for business travel and is used by nearly all Fortune 500 companies.[5]

As some businesses may rely on commercial and charter travel, Scio Township's proximity to these airports will be an advantage for those choosing to locate there.

EXISTING BUSINESSES

Business Cluster Analysis

We completed a business cluster analysis for 8 industries in Scio Township. The clustering of businesses in each of these industries is displayed in Exhibit C-4 through Exhibit C-6, in Appendix C.

The largest clustering of manufacturing jobs are located on west Jackson Road; several more are scattered evenly along the remaining corridor and throughout Dexter to the northwest. Wholesale trade, transportation, and warehousing is similar, although there is not as much of a concentration in one area. The agriculture, mining, utilities, and construction industry is sporadically distributed throughout the entire township.

Most of the clustering of retail, arts, entertainment, recreation, accommodation, and food services occurs on the east side of the Jackson Road corridor, which is one of the main gateways from Ann Arbor City into Scio Township. Businesses in the professional, scientific, and technical industry do not appear to be clinging to the main corridor, as many are located outside the urban fringe of the township.

Several businesses in the health care and administrative and support industries are clustered along the Jackson Road corridor, further supporting the theory that businesses are attracted to corridors with good highway accessibility and urban connectivity.

Businesses by Revenue

Exhibit C-7, "Businesses by Revenue - Scio Township - 2008," in Appendix C shows the clustering of businesses by revenue in Scio Township. Some of the most lucrative businesses along the Jackson Road corridor are located right next to each of the three highway interchanges. None of the businesses located in Scio Township with revenue exceeding $100 million annually are situated away from an interchange along Jackson Road.

3. Data provided by Wayne County Airport Authority; www.metroairport.com, 2008.
4. Data provided by Wayne County Airport Authority; www.willowrunairport.com, 2008.
5. Data provided by Oakland County International Airport; www.oakgov.com/aviation, 2008.

OFFICE SPACE ASSESSMENT

Industry Trends

Office vacancy rates in the Ann Arbor area have been continually increasing in recent years. As shown in Table 10 below, the vacancy rate in the Ann Arbor area has increased from 10.3 percent at year-end 2003 to 14.2 percent at year-end 2007. The same scenario applies to the west office submarket area, but not at the same rate. The west submarket, which includes west Liberty and Jackson Roads, showed significantly lower vacancy rates than the Ann Arbor area. At the national level, suburban office vacancy rates have fluctuated from 16.2 percent at the beginning of 2005 to14.2 percent at year end 2007.[6]

TABLE 10. Ann Arbor Area and Subarea Office Vacancy Rates

	Ann Arbor Area[a] Vacancy Rate (%)[b]	West Office Submarket Area[c] Vacancy Rate (%)
Year-end 2003	10.3	7.9
Mid-year 2004	10.8	5.8
Year-end 2004	12.5	6.7
Mid-year 2005	12.6	7.4
Year-end 2005	12.6	7.3
Mid-year 2006	13.2	6.4
Year-end 2006	14.7	7.0
Mid-year 2007	15.2	8.1
Year-end 2007	14.2	9.5

Source: Data provided by Swisher Commercial, Office/Flex Vacancy Report, 2003-2007.

a. Area includes City of Ann Arbor plus Scio, Pittsfield, and Ann Arbor Townships, as defined by Swisher Commercial.

b. Includes all non-owner-occupied buildings of 3,000 square feet or larger and both office and flex space.

c. The west office area is a submarket of the Ann Arbor Office Area including the West Liberty and Jackson Road areas, as defined by Swisher Commercial.

The Ann Arbor office area's increase in vacancy rates can be attributed to many economic events over the last several years. Vacancy rates went up in the southern Ann Arbor area and continue to after the bursting of the dot-com bubble. In the same area, the addition of space near Briarwood Mall contributed. In the coming year, Pfizer's evacuation of 2 million square feet of space in Ann Arbor is still anticipated to leave its impact on vacancy rates.[7]

6. Data provided by CB Richard Ellis, Office Vacancy Index, First Quarter 2008.

7. Information provided by Swisher Commercial, Ann Arbor Business Review, January 2008.

Inventory of Available Office Space

A majority of the currently available office space in the Ann Arbor market is located on the east side of Scio Township along the Jackson Road corridor. As shown in Exhibit C-8, "Listed Available Office Space - Ann Arbor Market - 2008," in Appendix C, most of the available space is also over 10,000 square feet in size. Most of the office space on the west side of Scio is 10,000 square feet or smaller.

For-Sale. For-sale office space in the Ann Arbor area[8] ranges from roughly $200,000 to $7.2 million, as shown on Exhibit C-9, "Ann Arbor Area Office Space - Sale Price - 2008," in Appendix C. Looking more closely at the chart, there seems to be a gap in office space priced from around $2.3 million to just under $4 million.

Exhibit C-10, "Ann Arbor Area Office Space - Sale Price by Size - 2008," in Appendix C shows the relationship between for-sale prices of office space in the Ann Arbor area and sizes. There appears to be a gap among units in the 20,000 to 30,000 square feet range that are priced between $2.5 and $4 million. On the other hand, the market has plenty of units under 15,000 square feet that are priced under $2 million.

Exhibit C-11, "Ann Arbor Area Office Space - Size in Square Feet - 2008," in Appendix C gives a visual of all for-rent and for-sale office space in the Ann Arbor area and the listed sizes by square feet. Roughly 80 percent of these spaces are under 20,000 square feet in size. There is a large gap between spaces ranging from approximately 50,000 to 75,000 square feet.

For-Rent. Annual rent per square foot among available office space in the Ann Arbor market appears to be fairly even, ranging from just over $5 per square foot to under $25 per square foot. This distribution can be further examined in Exhibit C-12, "Ann Arbor Area Office Space - Annual Rent per Square Foot - 2008," in Appendix C.

These results are also presented along with square feet in a scatter plot in Exhibit C-13, "Ann Arbor Area Office Space - Annual Rental Rate by Size - 2008," in Appendix C. It is typical to see an inverse relationship between rent per square foot and size of the unit when looking at office space. This is not the case among units for-rent in the Ann Arbor market. In fact, not much of a relationship can be seen as there is a large gap in product size in units over 20,000 square feet. These observations further support our concept for a planned business park in Scio Township, discussed in detail in "Economic Development Strategy" on page 31.

8. The Ann Arbor area includes the City of Ann Arbor plus Scio, Pittsfield, and Ann Arbor Townships, as defined by Swisher Commercial.

Certified Business Parks

There are 7 "Certified Business Parks" in Washtenaw County, and 1 in Scio Township (Village of Dexter). The average size for certified business parks in the county is roughly 153 acres, and the average cost is $127,000 an acre. The Occupancy Rate ranges from 64 percent (Dexter Business Park) to 93 percent (Eward F. Redies Industrial Park). Table 11 on page 26 provides details on each of the 7 parks.

TABLE 11. Summary of Certified Business Parks in Washtenaw County

Business Park	Location	Size (acres)	Occupancy Rate (%)	Land Value per Acre ($)	Original Certification Date
Dexter Business Park	Village of Dexter	127	64	N/A	1989
Domino's Farms	Ann Arbor Township	271	85	N/A	2003
Donald E. Shelton Industrial Park	City of Saline	109	87	85,000	1987
Eward F. Redies Industrial Park	City of Saline	222	93	85,000	1983
Sauk Trail Business Park	City of Saline	116	75	90,000	1999
State Street Executive Park	City of Ann Arbor	20	66	250,000	2004
Washtenaw Business Park	Ypsilanti Township	207	68	N/A	1989

Source: Anderson Economic Group, LLC 2008. Base data collected from the Michigan Economic Development Corporation, and the Michigan Economic Developers Association, 2008.

RETAIL ASSESSMENT

We have completed a top-line retail assessment for the township, which involved completing a supply-demand analysis for twenty-two retail categories, shown in Table 13, "Potential Retail Opportunity - Scio Township - 2008," on page 28 and an assessment of retail expenditures in Scio Township, discussed in the following section. This preliminary assessment will be useful to community leaders in plans to attract retail establishments that will be most viable in the community.

Transacted Retail Expenditures

The following section is intended to provide a deeper understanding of what specific categories make up the retail expenditures of one person's income in Scio Township. For this assessment, we have chosen the top ten retail categories of expenditures, shown in Table 12 on page 27.

TABLE 12. Transacted Retail Expenditures for Scio Township - 2007

Retail Category	Annual Expenditures per Person ($)	Share of Income (%)[a]	Index to State
Food	5,313	11.1	0.97
Entertainment/Recreation	2,257	4.7	1.01
Apparel & Services	1,651	3.4	1.02
Household Furnishings & Equipment	1,476	3.1	1.04
Travel	1,272	2.6	1.06
Housekeeping Supplies	479	1.0	0.94
Personal Care Products	302	0.6	0.98
Lawn & Garden	281	0.6	0.94
Major Appliances	189	0.4	0.99
Computers & Hardware for Home Use	149	0.3	1.05

Source: Anderson Economic Group, LLC, 2008. Base data provided by ESRI, Inc. 2007.

a. This is not a complete compilation of retail categories, therefore shares do not sum 100 percent.

Of the information provided in the table above, food makes up the largest share of retail expenditures per person in Scio Township, accounting for 11.1 percent of one's income. Entertainment and recreation, apparel and services, and household furnishings and equipment all together make up another 11.2 percent of income per person. The remainder of retail categories together only sum up to an additional 5.5 percent of income per person. These relatively minimal expenditures include travel, household supplies, personal care products, appliances, lawn and garden equipment, and computers and hardware.

Expenditure Potential

Looking at the "Index to State" column in Table 12 gives a snapshot of how Scio Township's spending behavior in 2007 compared to the state's. Using Michigan as a benchmark for retail expenditures adds additional insight into retail categories that Scio Township may be able to capitalize on in the future. Residents in Scio Township spent less on food as a share of their income than the state. However, their expenditures on travel, computers and hardware, and household furnishings and equipment as a share of their income was significantly higher than the state's.

Market Gap

We completed a retail supply-demand analysis for 22 retail NAICS categories in Scio Township. Table 13, "Potential Retail Opportunity - Scio Township - 2008," displays the results, sorted in descending order of opportunity for each category.

TABLE 13. Potential Retail Opportunity - Scio Township - 2008

NAICS	Description	Potential Sq. Ft.
7211	Traveler Accommodation	140,000
4529	Other General Merchandise Stores	100,000
7131	Amusement Parks and Arcades	80,000
4521	Department Stores	75,000
4481	Clothing Stores	45,000
4511	Sporting Goods, Hobby, and Musical Instrument Stores	45,000
4422	Home Furnishings Stores	40,000
4512	Book, Periodical, and Music Stores	40,000
7222	Eating Establishments	40,000
4441	Building Material and Supplies Dealers	30,000
5121	Motion Picture Theatres (except drive-ins)	30,000
4452	Specialty Food Stores	20,000
4461	Health and Personal Care Stores	20,000
4412	Other Motor Vehicle Dealers	18,000
4413	Automotive Parts, Accessories, and Tire Stores	16,000
4411	Automobile Dealers	15,000
8121	Personal Care Services	12,000
4431	Electronics and Appliance Stores	6,000
4442	Lawn and Garden Equipment and Supplies Stores	6,000
4532	Office Supplies, Stationery, and Gift Stores	6,000
8123	Dry cleaning and Laundry Services	6,000
4471	Gasoline Stations	2,000
	TOTAL	792,000

Source: Anderson Economic Group, LLC proprietary retail supply-demand model.This model incorporates data from the U.S. Census of Retail Trade (2002 & 1997), and demographic data provided by ESRI, Inc.

In completing a supply-demand analysis, we determined there is measurable opportunity for a total of 792,000 square feet of retail space, filling in current gaps in the local retail market. Of the retail categories provided, the first 5 of them make up over 50 percent of the total opportunity.

Our analysis shows there is significant opportunity for traveler accommodations, which happens to complement our concept for a business park. Given the study areas and their proximity to the highway, a hotel would be a viable and sustainable retail opportunity for Scio Township.

Categories remaining in the fiftieth percentile of opportunity include general merchandise stores (100,000 square feet.), amusement parks and arcades (80,000 square feet), department stores (75,000 square feet), and clothing stores (45,000 square feet). With a development strategy, introducing a mix of retail into Scio Township will have a positive effect on the local community as well as any business park developments that are pursued.

RESIDENTIAL ASSESSMENT

A residential assessment provides background information on the type of housing options and characteristics currently available in a market. These results contribute to the conclusions on density, quality, scale, and price of future projects.

Housing Unit Growth and Tenure

The total number of housing units in Scio Township (3.1 percent) grew at triple the rate of the state average (1.0 percent) from 2000 to 2007, and nearly doubled the rate of growth, compared to Washtenaw County (1.7 percent). During that time, the number of owner-occupied units increased from 4,824 units in 2000 to 5,725 units in 2007.[9]

In 2007, 73 percent of the total units were owner-occupied, 21.5 percent were renter-occupied, and 5.7 percent were vacant. See Exhibit C-14, “Housing Unit Growth and Tenure - Scio Township, Trade Areas, Washtenaw County, and State,” in Appendix C for further information.

Owner Occupied Home Values

More than half (56.7 percent) of the homes in Scio Township were valued above $300,000, which is high relative to the State where 12.6 percent of the homes are valued in this range. The average home value is $358,864 in Scio Township, which is higher than the City of Ann Arbor ($295,033), Washtenaw County ($283,857), and the State ($181,437). The compound annual growth rate for average home value was above 5 percent for 2000 to 2007. Exhibit C-15, “Owner Occupied Home Values - Scio Township, Trade Areas, Washtenaw County, and State,” in Appendix C provides further details for owner occupied home values in each of these areas.

9. Source: ESRI, Inc. 2007.

Year Built

Nearly 70 percent of the housing stock in Scio Township was built after 1980 and over half was built after 1990. Comparatively, Washtenaw County had 28 percent, Ann Arbor had 15 percent, and the State of Michigan had 21 percent of their housing stock built since 1990. Exhibit C-16, "Housing by Year Built - Scio Township, Trade Areas, Washtenaw County, and State," in Appendix C provides further information.

Building Permit Activity

We have analyzed a nine year trend for building permit activity for single-family, two-family (duplex), attached condos, and multi-family units. While the share of units constructed from 1990 to present may be high, the actual number of permit applications is rather minimal, and has been decreasing steadily since 2000. Table 14 provides details on the building permit activity.

TABLE 14. Building Permit Activity - Scio Township - 1996 thru 2006

Year	Single-Family	Two-Family	Attached Condo	Multi-Family	Total Units
1996	129	0	0	0	129
1997	234	0	0	184	418
1998	239	0	0	208	447
1999	237	0	0	0	237
2000	255	0	0	0	255
2001	172	0	140	0	312
2002	190	0	123	0	313
2003	130	0	55	0	185
2004	91	0	15	0	106
2005	55	0	94	0	149
2006	25	0	14	0	39

Source: Anderson Economic Group, LLC 2008. Base data provided by SEMCOG, 2007.

VI. Economic Development Strategy

INTRODUCTION

We have developed an Economic Development Strategy for Scio Township that reflects its current and future strengths, as will as regional advantages of the greater Ann Arbor market. These strengths include industries that require an educated workforce, feeding from the local economic powerhouse the University of Michigan, one of the nation's premiere public universities.

The strengths of Scio Township also include excellent transportation infrastructure, with two interchanges on Interstate 94 (the primary route between Detroit and Chicago) and a reasonable distance to Detroit/Wayne County Metropolitan Airport. Cultural and aesthetic benefits also abound, with the rural character of Scio Township meshing with the urban flare of Ann Arbor.

These strengths, along with our analysis of the market, have guided our crafting of the development strategy into a physical plan for the Jackson Road corridor, with a specific emphasis on the I-94 interchanges at Zeeb and Baker roads. The strategy calls for a mix of uses, with an emphasis on those that promote business growth and job creation.

We begin with a discussion of Target Business Types for Scio Township, then present recommendations for a new Business Campus; continue with recommendations for Jackson Road and a town center; and finish with additional observations for each of the key corridors in the study area. Please see "Appendix D: Economic Development Strategy" on page D-1 for maps related to the development strategy.

TARGET BUSINESS TYPES

Scio Township should continue to target knowledge industries, similar to those currently found in the area. This includes the industries of information (publishing and related services, software, etc.) telecommunications, life-sciences research and manufacturing, and other research and development companies. These industries have already proven to be strengths for Scio Township and the region, and despite recent departures of some key firms, these industries remain the brightest opportunity for tomorrow's economy.

Scio should also purse other growth industries that are not current strengths of the township, like health care. With our growing population of senior citizens and the strength of the University of Michigan medical campus, Scio Township is well positioned to gain new medical facilities in future years. These facilities may range from individual medical practice suites (which have become more common in the township) to long-term care facilities or possibly a full-service hospital. These facilities will benefit most from proximity to the university, and should be positioned for easy access.

The township already has an advantage in logistics, mining (including gravel and sand), and retail, so should not allocate its valuable resources toward recruitment

strategies in these industries. Human resources, time and energy should be dedicated toward the industries that are needed to diversify the mix.

In addition, the township has shown a serious interest in land conservation, and land-hungry uses such as warehousing, trucking, and retail are not the best way to meet these goals. These uses may be allowed when the dynamics of market supply and demand dictate. However, they should not overshadow the core strategy for economic growth, which is best obtained through business recruitment and job development.

BUSINESS CAMPUS

Our top recommendation for Scio Township involves for development of one or more new business campuses along I-94 near the Zeeb or Baker interchanges. This new business campus should be unlike anything that currently exists in Scio Township, and will target companies interested in build-to-suit options among Class A office space.

New facilities within the campus may have a small amount of the floor area available as sub-lease or flex space. Some facilities may also include a small amount of convenience retail like a restaurant, deli and dry cleaners to fill the needs of the daytime workforce.

New office buildings in the business campus should not be speculative. Instead, the Township should prepare the campus by completing the groundwork and installing all the necessary infrastructure so a building can be constructed quickly once a major tenant is found for a build-to-suit project. This is called a “turn key” development site, meaning the developer simply needs to turn the proverbial key to open the construction on the site.

Part of the attraction of a turn key development is the acceleration of the permitting and site plan review process. This campus should have specific building types and uses pre-approved for fast track approval to reduce the time-cost for developers and potential tenants. These approved uses should be made clear to potential developers and marketed as an added asset of this location.

New structures in this business campus should focus on an efficient use of land, meaning a maximum amount of space on the smallest possible footprint. To achieve this, we recommend that new structures be at least three stories in height, with four to six stories being optimal. We do not recommend developing any facilities higher than six stories, as this scale would not be fitting with Scio’s rural atmosphere.

FIGURE 2. A courtyard in a business campus in Raleigh, NC

These buildings should offer no less than 40,000 square feet in usable space, and buildings could potentially be connected to a parking garage to further maximize land area. Any retail included in the project should be at street-level, and should be accessible from an exterior door to allow business operations to continue outside of typical office hours.

FIGURE 3. Outdoor seating at a restaurant integrated in a business campus

This business campus should also include one or two hotels to provide accommodations for business travelers, family and friends of Scio residents, or those passing through on I-94. The hotels should be somewhat upscale, focusing on business travelers, with at least one hotel offering extended stay suites. Potential hotel brands include Embassy Suites, AmeriSuites, Hampton Inn, Country Inn & Suites, Hilton Garden Inn, Courtyard, or Holiday Inn Express.

JACKSON ROAD

Jackson Road serves as the commercial hub of Scio Township, and should remain the focus for future business growth. This corridor runs parallel to I-94, providing quick and easy access to the freeway and the communities it travels through.

We do not recommend the further development of any speculative retail, office or professional space at this time, as the market appears to be oversaturated, especially with smaller flex-space suites. However, this could change after a few significant companies and businesses are attracted to catalyze development of the new business campus.

Meanwhile, we recommend a long-term focus on developing means to connect these small, fragmented business parks into one cohesive business parkway. This should be done through design guidelines in the master plan that encourage a higher intensity of use, smaller setbacks, and better integration of land uses adjacent parcels. The fundamental objectives of synergy and cohesiveness certainly apply here.

The township should work as a mediator between land owners to redevelop land into its highest and best use, on a parcel-by-parcel basis. This strategy will rely upon the township's support for common access, shared connectors and better connectivity of roads spurring off of Jackson. It also includes potential for sharing parking lots to reduce the need for overflow parking.

Town Center

The intersection of Jackson Road at Zeeb Road has several advantages that make it the optimal location for a mixed-use project that conveys a sense of place for Scio Township, and a "sense of having arrived somewhere." First, it is proximate to an I-94 interchange. Second, while Zeeb Road is not as proximate to Ann Arbor shoppers as Wagner Road, it is closer than Baker Road.

Third, Meijer Supercenter and Lowes' Home Improvement have already established the intersection as a shopping destination. Last and perhaps most important, Zeeb Road is centrally located in Scio Township, so represents the community core, pivot-point or center of gravity.

The concept of a retail node at Zeeb and Jackson Roads is not new to the township, and a gateway sign (traditionally used as boundary markers) has already been placed here. Since the Township recognizes this as the "town center" it should also be the focus for redevelopment into higher and better use.

The properties between Jackson Road and I-94 near Zeeb road are currently under utilized, and hold potential for redevelopment into new mixed use structures that better use the parcel and serve the community. One level buildings at prime locations do not serve the community's stated goal of open land preservation, as these low-density units make poor use of prime parcels and encourage developers to push further into undeveloped property to meet economic needs.

This is a long-term recommendation to reshape the face of the intersection over time. We do not recommend pushing out existing tenants, rather we suggest evolving the intersection to an area of higher intensity of use over time.

Strategically, we are focused on the Zeeb/Jackson intersection because it is centrally located in the township and offers direct access onto I-94.Ideally, the vast majority of new retail in Scio Township would be clustered around this intersection and near the established big-box retailers Meijer (at the southwest quadrant of Zeeb and Jackson Roads) and Lowe's (northwest quadrant). These retailers already create a regional draw and would serve as anchors for relatively smaller anchors and tenants.

We also understand that a new mixed-use project has been proposed on the 134-acre Farmer Grant Market property, which is located approximately mid-way between Zeeb and Baker Roads, and at the southeast quadrant of Jackson and Staebler Roads. Combining this 134-acre site with two adjacent parcels, the developer is expected to have a total of 165 acres for its "Honey Creek PUD" project.

As currently proposed, the Honey Creek PUD could include 400,000 to 600,000 square feet of retail space on about 55 acres, plus a mix of residential units and possible some office space. Anchors could include big-box retailers like Target Discount or Kohl's Department Store.

If developed as proposed, all retail in the project should be positioned with frontage directly onto Jackson Road, and residential units behind and secondary access onto Staebler. However, Staebler also is not a major north-south connector and does little to aid the circulation of shopping traffic onto I-94.

Regardless of the location of the retail shopping district, the project scale should include 3 and 4 level buildings, with retail on the street level, and office and/or residential units above. The structures should be designed to encourage pedestrian behavior, creating a true mixed-use environment. Pedestrian friendly design also enhances the aesthetic appeal of an area, making it a desirable place to live, work, or shop.

Again, all retail projects approved in Scio Township should be required to have at least one anchor store of at least 15,000 square feet. Preferably, all new retail centers will have at least one anchor of 20,000 to 35,000 square feet. This will minimize the risks associated with high vacancy rates attributed to over-building of speculative space in small projects that lack a regional draw.

To clarify, the need for an anchor in every shopping center does not necessarily mean that it must a big-box retailer like Costco. County Road Commission had presented plans to lease 16 acres to Costco for 50 years to build a 149,000-square-foot store and a 12-pump gas station. Community residents and stakeholders were clearly opposed to the proposed Costco and succeeded in halting those plans.

We concur that big-box retailers like Costco, Sam's Club, Target and Kohl's are not necessary for Scio Township to succeed in its primary objective of attracting new companies, businesses and jobs. However, if the community chooses to approve these types of stores in the future, they could provide some convenience and choice for resident shoppers.

BAKER ROAD

Among the three north-south corridors that we studied, Baker Road is farthest from the pool of labor force and potential shoppers that reside in the City of Ann Arbor, Ypsilanti and other jurisdictions with favorable population densities. This distance is less critical to employers than to retailers.

The intersection of I-94 at Baker Road has already proven itself a key location in Scio's business community, with a number of national and regional companies already located just north and south of the interchange. The Northwest Quadrant (NWQ) and Southeast Quadrant (SEQ) at the I-94 interchange are both good opportunities for companies and businesses that demand highway visibility. These may include regional headquarter corporations; hotels and other traveler accommodations, and convention centers.

At the I-94 interchange at Baker, three of the four interchange quadrants are currently occupied by large truck stops. These are valued businesses, but they do not create the optimal atmosphere for a Class A business campus. Surface areas for truck parking is a low-impact use, but underground fuel tanks can present some long-term challenges. The logistics of redeveloping these properties into some higher and better use that supports the concept of a business campus should be explored.

The northwest corner of that same interchange may present a viable opportunity to improve this interchange, and can be used to "catalyze" redevelopment of the other three quadrants. Similar to the Zeeb interchange, the Baker Road interchange should be redeveloped over time to better utilize the prime location near a major interstate interchange. This redevelopment should also create a higher intensity of land use with multi-story buildings and better integration of adjacent parcels.

Development of a regional shopping destination at this interchange should be discouraged. The Zeeb Road interchange is already established as a retail node and represents the optimal location for a town center. The development of significant retail at Baker Road would dilute the regional drawing power of the Zeeb retail node, and is less likely to import shoppers from the more populated City of Ann Arbor.

If the existing truck stops remain, then the I-94 interchange at Baker Road may be best suited for a logistics or warehousing company. These are not industries that Scio Township should be aggressively recruiting, but the township should recognize that a) this location is a natural fit for these types of firms, and b) this would be the best location in the township for them.

North of I-94, the Baker Road corridor into the Village of Dexter presents good opportunities for long-term growth. It is also the gateway into that community, and its future development will have a direct bearing on the image of that important community. Scio Township should coordinate closely with that jurisdiction on formulating a long-term strategy that meets shared agendas.

A mix of companies and businesses that either cannot compete for highway visibility or do not require it, would be appropriate, as long as they follow smart and consistent planning principles. Again, these businesses should be clustered together as close to I-94 as possible, upholding the fundamental concepts of synergy, critical mass and cohesiveness.

ZEEB ROAD

In addition to the concept of a town center project at the intersection of Zeeb with I-94 and Jackson Road, we also studied other parts of Zeeb Road corridor, with the following observations and recommendations.

On the north side of I-94, Zeeb Road also has an attractive shopping center anchored by the Grand Traverse Pie Company. Any sizeable properties with buildable land and visibility to I-94 would be ideal locations for a hotel cluster. A small amount of complementary conveniences like quality restaurants and pharmacies might be reasonable.

Hotels require highway visibility, but access may be off secondary and even tertiary roads, so does not need to be directly off Zeeb Road. They also prefer to cluster together to create a critical mass of cross-pricing choices to potential patrons, particularly those without reservations.

If the I-94 interchange at Zeeb Road is developed into scattered, free-standing retailers like fast-food restaurants, motels, gas stations and automotive dealerships, then the environment will undermine the efforts to convey a high-quality community with a sense of place that is enjoyable for living, working and shopping.

If all available commercial land is developed along Jackson Road, and if there continues to be demand for additional space, then the next optimal place for expansion is on the north side of I-94 at Zeeb Road. In fact, this takes priority over the development of the Baker Road interchange. Long-term, commercial and retail growth along this corridor should be developed proximate to I-94 without expanding more than a mile to the north.

Appendix A: Methodology

INTRODUCTION

Our methodology and approach began with an examination of the overall vitality of the Study Area through fieldwork and market tours. Our site visits included an assessment of land use adjacencies, with consideration for positive and negative influences and characteristics of those uses. We considered benefits that the potential projects would realize due to market amenities like hospitals, airports, highway access, etc. For the quantitative portions of this report, we assessed the 1990 and 2000 Census and incorporated 2007 vendor data provided by ESRI, with adjustments to reflect local-level population projections. We also utilized trusted industry reports, proprietary in-house databases, our experience in the local market, and our professional expertise. The details of our methodologies are provided below.

PEOPLE

We evaluated the general demographics and workforce population of Scio Township, Washtenaw County, the City of Ann Arbor, the Effective and Primary Trade Areas (ETA and PTA), and the state of Michigan. We used the following methodology.

Demographics

1. Data provided by ESRI, Inc. was utilized for current statistics and projections of various demographic variables including population, income, educational attainment, and age. We used this data to analyze growth rates and trends on a local, regional, and statewide level.
2. We utilized ESRI's ArcView mapping software to create maps depicting local and regional demographics. The maps created include a *regional overview,* showing transportation linkages and proximity to urban areas, *per capita income* using color gradation, and *population density.* The creation of these maps give a snapshot of an area's demographic make-up and important comparisons to competing areas. The development strategy was also created using this system.

Labor Force

3. ESRI provides us with data for employment by industry and occupation for the years 2000 and 2007. Utilizing this data, we are able to provide a snapshot of Scio Township's share of employment by industry for as recent as last year.
4. The Bureau of Labor Statistics (BLS) provides the same data mentioned above for every year from 1990 to 2005, however it is only available on a county level or higher. We utilized this data for the Employment by Industry Yarn Chart Analysis. An index from one year to the next was created for each area to show changes in shares of employment over time. In this case, Washtenaw, Livingston, Wayne, and Jackson counties were compared. These charts are based on percentage points and indicate industry employment trends from 1990 to 2005.
5. The Location Quotient (LQ) Analysis utilizes ESRI estimates for both *employment by industry* and *employment by occupation*. To calculate the LQ score we divided the share of each local employment category (two digit NAICS catego-

ries) by the share of employment in that same category for a larger geography, in this case the State of Michigan. When interpreting the data, an LQ score greater than 1.0 indicates that the industry or occupation is self sufficient. Conversely, a location quotient of less than 1.0 indicates that the industry is underrepresented in the local economy. In either case, above 1.0 indicates an opportunity to export the industry, and below 1.0 indicates an opportunity to import the industry.

6. The Shift-Share Analysis involves comparing proportional growth between a local economy of interest and a larger economy, in this case Scio Township and the State of Michigan. Additionally, the shift-share analysis helps determine whether a particular local economy has witnessed a faster or slower growth rate in an industry or occupation than the larger (national or state) economy has witnessed. In most cases the analysis validates the results from the Location Quotient Analysis.
7. The Worker Flow Analysis uses data provided by the US Census county-to-county work flow tables. Because the Census limits geographies to the county level, we analyzed Washtenaw County versus the surrounding region. The outflow analysis studies the employed residents of Washtenaw County and where they work. The inflow analysis studies the workers in Washtenaw County and where their place of residence is. The results of these tables produce the net workflow, which implies a working county versus a residence county. A positive net workflow would imply that there is a large employment base to draw from, whereas a negative net workflow would imply the opposite.

PLACES

In completing the assessments for office space and retail, we utilized the following methodology:

Office Space Assessment

1. To complete the office space portion of the analysis we relied on our expertise and extensive experience in the real estate industry, including site selection, location analysis, and local and regional economics to determine the best strategy.
2. In measuring potential locations for office space, we assessed transportation linkages, access to regional amenities, proximity to ancillary uses, accessibility to education and training, and regional connectivity.
3. In measuring office space supply, we collected information from Swisher Commercial, an independent brokerage firm specializing in commercial real estate and investment properties. Our analysis included a measure of annual rental rates, annual rental rates by size (including Class A space), listed sales prices, sale prices by size, and office listings by square feet of space.

Retail Assessment

1. We first delineated a PTA and ETA which represent the core customer base for local real estate markets, the region of influence for development sites, and competitive market area for similar land uses. The delineation of a trade area is based on a number of market factors and conditions, including the locations of competing destinations, distribution of population and income levels, physical and socio-economic barriers, and transportation networks.
   - Typically, the PTA is used in a retail analysis to determine customer drawing power. It represents roughly 70 percent of the customers to an area designated for new retail.
2. To determine the market gap in Scio Township, we conducted a rigorous supply-demand analysis utilizing our in-house database supported by data from the Economic Census of Retail Trade and ESRI.
   - We first determined the supply in the market from the types of establishments that are present in the market and neighboring areas.
   - The demand evaluation of our retail analysis involved a comparison of resident income levels to those of the region, with the portion of income that is actually spent on each category in the trade area (transacted expenditures) compared to the portion of income that is more typically spent on each business category within the region or state (resident expenditure potential). By calculating the portion of local expenditures being captured by existing businesses, it can be determined which categories have remaining sales potential.
   - A comparison of these results to supply by business category enabled us to identify opportunities for additional businesses. Finally, we applied a market share to the total PTA opportunity to determine the total business, retail, and commercial opportunity for the local market.
3. Retail expenditures were calculated using data provided by ESRI. This analysis serves as the basis of comparison for retail potential within the trade area. Expenditures as a share of per capita income gives a snapshot of each resident's spending habits in a particular community and can provide insight into expenditure potential when comparing them to the regional area or state. In our analysis, we compared Scio Township's expenditures to the those of state of Michigan.

Appendix B: People

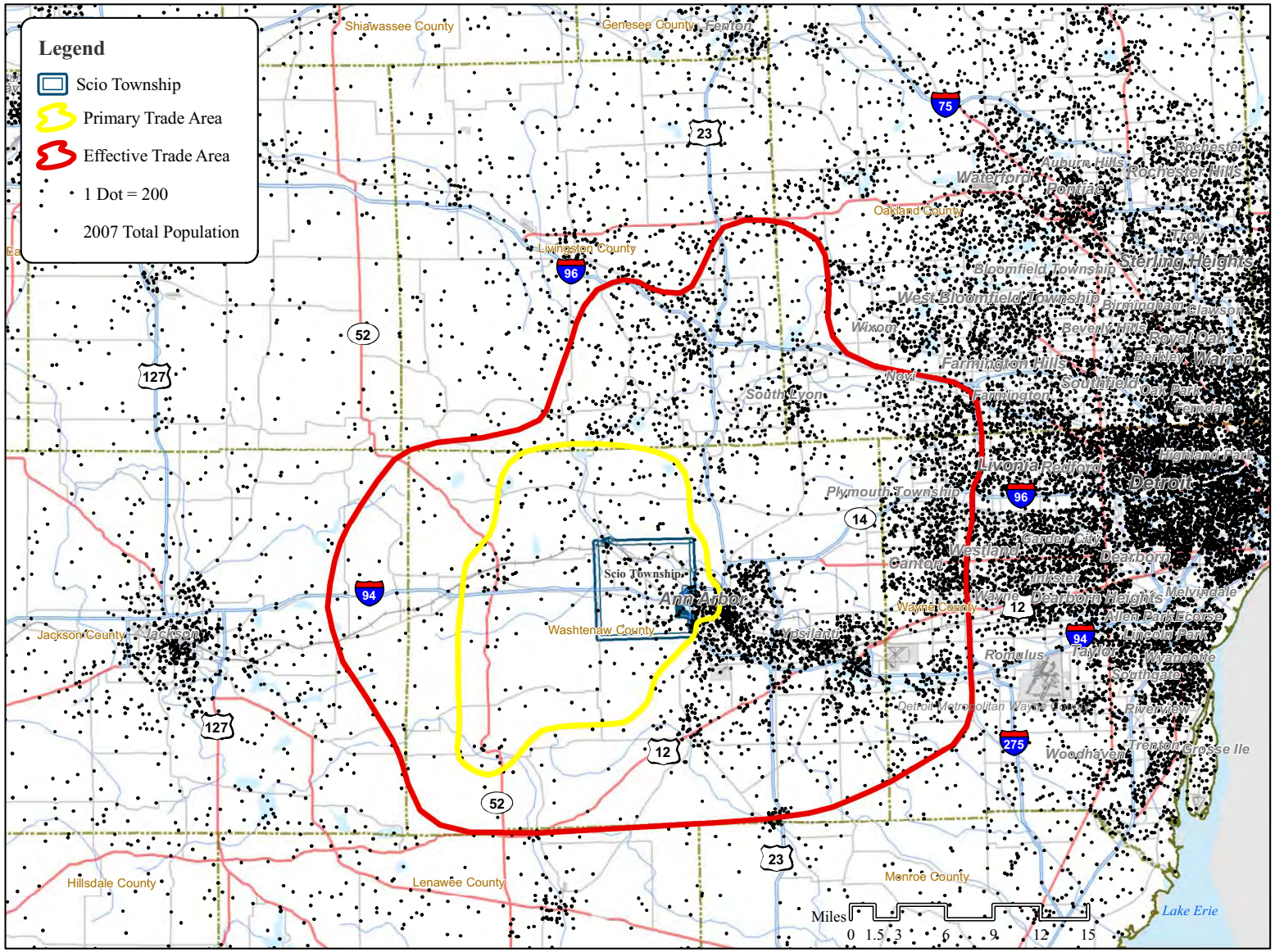
Exhibits in this section include:

Exhibit B-1. Population and Income Data - Scio Township, Region, and State

	Scio Township	City of Ann Arbor	Primary Trade Area	Effective Trade Area	Washtenaw County	State of Michigan
POPULATION						
1990 Population (census)	10,768	110,563	54,401	525,685	282,937	9,295,297
1997 Population (interp.)	14,091	112,945	61,918	598,807	310,349	9,740,962
2000 Population (census)	15,812	113,981	65,449	633,180	322,895	9,938,444
2001 Population (interp.)	16,234	114,650	66,474	642,619	327,290	9,992,446
2002 Population (interp.)	16,667	115,322	67,516	652,199	331,745	10,046,742
2007 Population	19,013	118,744	72,973	702,282	354,947	10,322,677
2012 Population	20,759	122,364	77,463	733,701	374,037	10,552,949
CAGR 1990-2000	3.9%	0.3%	1.9%	1.9%	1.3%	0.7%
CAGR 2000-2007	2.7%	0.6%	1.6%	1.5%	1.4%	0.5%
CAGR 2007-2012	1.8%	0.6%	1.2%	0.9%	1.1%	0.4%
2000 Pop in Group Quarters	18	12,348	800	25,710	21,302	249,889
2007 Group Quarters Population	19	12,718	825	26,325	22,056	255,277
2007 Group Quarters Population (%)	0.1%	10.7%	1.1%	3.7%	6.2%	2.5%
PER CAPITA INCOME						
1989 Per Capita Income (census)	$24,353	$17,819	$19,871	$18,078	$17,115	$14,154
1990 Per Capita Income (interp.)	$25,380	$18,544	$20,833	$18,981	$17,925	$14,803
1997 Per Capita Income (interp.)	$33,890	$24,512	$29,009	$26,697	$24,773	$20,265
1999 Per Capita Income (census)	$36,809	$26,546	$31,887	$29,430	$27,173	$22,168
2000 Per Capita Income (interp.)	$38,059	$27,392	$32,877	$30,461	$28,029	$22,823
2002 Per Capita Income (interp.)	$40,687	$29,166	$34,949	$32,632	$29,824	$24,191
2007 Per Capita Income	$48,078	$34,119	$40,720	$38,760	$34,830	$27,982
2012 Per Capita Income	$58,699	$40,671	$49,318	$47,938	$42,198	$33,449
CAGR 1989-1999	4.2%	4.1%	4.8%	5.0%	4.7%	4.6%
CAGR 1999-2007	3.4%	3.2%	3.1%	3.5%	3.2%	3.0%
CAGR 2007-2012	4.1%	3.6%	3.9%	4.3%	3.9%	3.6%
TOTAL PERSONAL INCOME						
1990 Total Personal Income ($Mil.)	$273	$2,050	$1,133	$9,978	$5,072	$137,603
1997 Total Personal Income ($Mil.)	$478	$2,768	$1,796	$15,986	$7,688	$197,405
2000 Total Personal Income ($Mil.)	$602	$3,122	$2,152	$19,287	$9,051	$226,824
2002 Total Personal Income ($Mil.)	$678	$3,363	$2,360	$21,282	$9,894	$243,043
2007 Total Personal Income ($Mil.)	$914	$4,051	$2,971	$27,220	$12,363	$288,849
2012 Total Personal Income ($Mil.)	$1,219	$4,977	$3,820	$35,172	$15,784	$352,986
CAGR 1990-2000	8.2%	4.3%	6.6%	6.8%	6.0%	5.1%
CAGR 2000-2007	6.2%	3.8%	4.7%	5.0%	4.6%	3.5%
CAGR 2007-2012	5.9%	4.2%	5.2%	5.3%	5.0%	4.1%

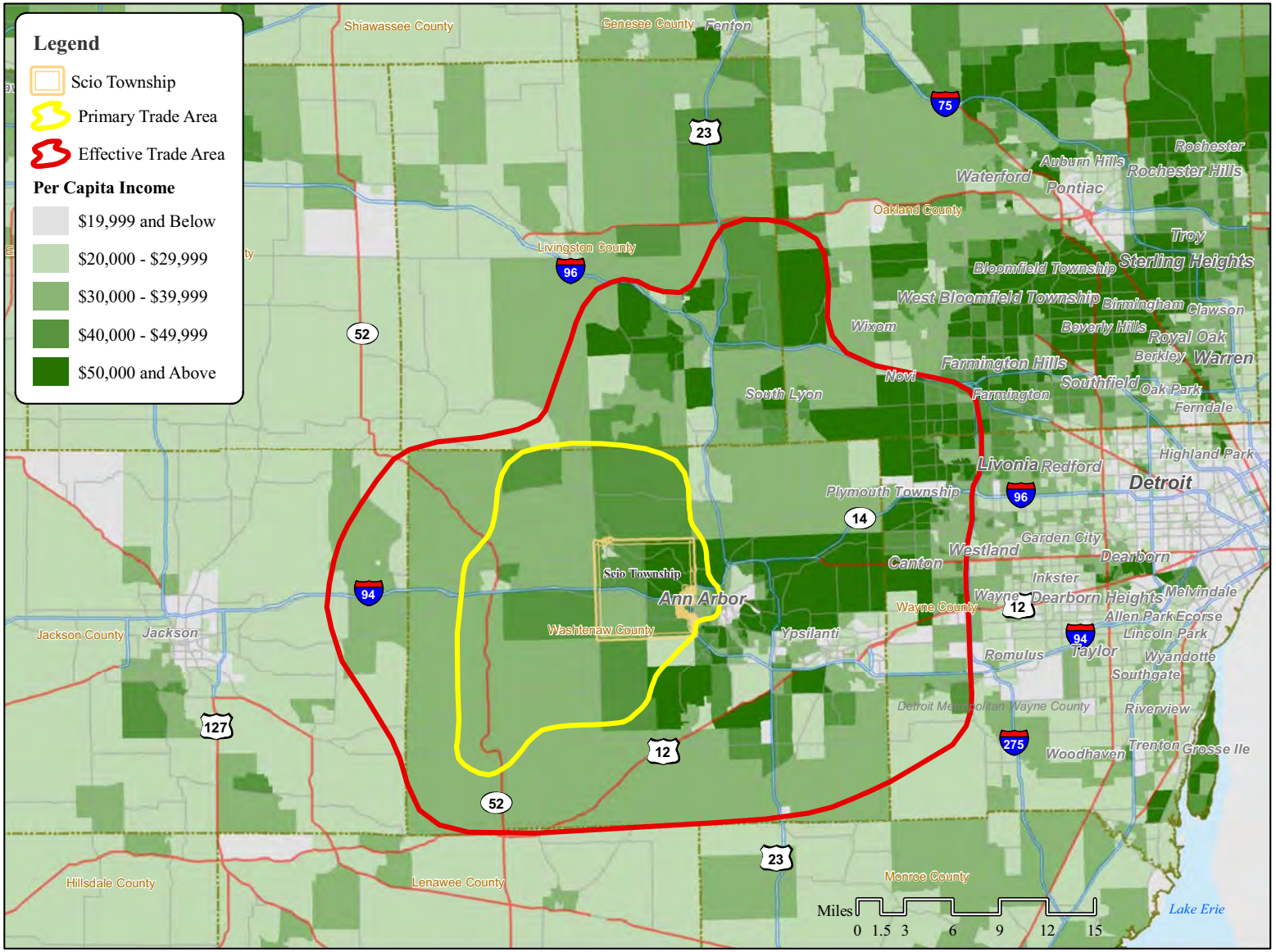
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-2. 2007 Population Density Map - Scio Township and Trade Areas



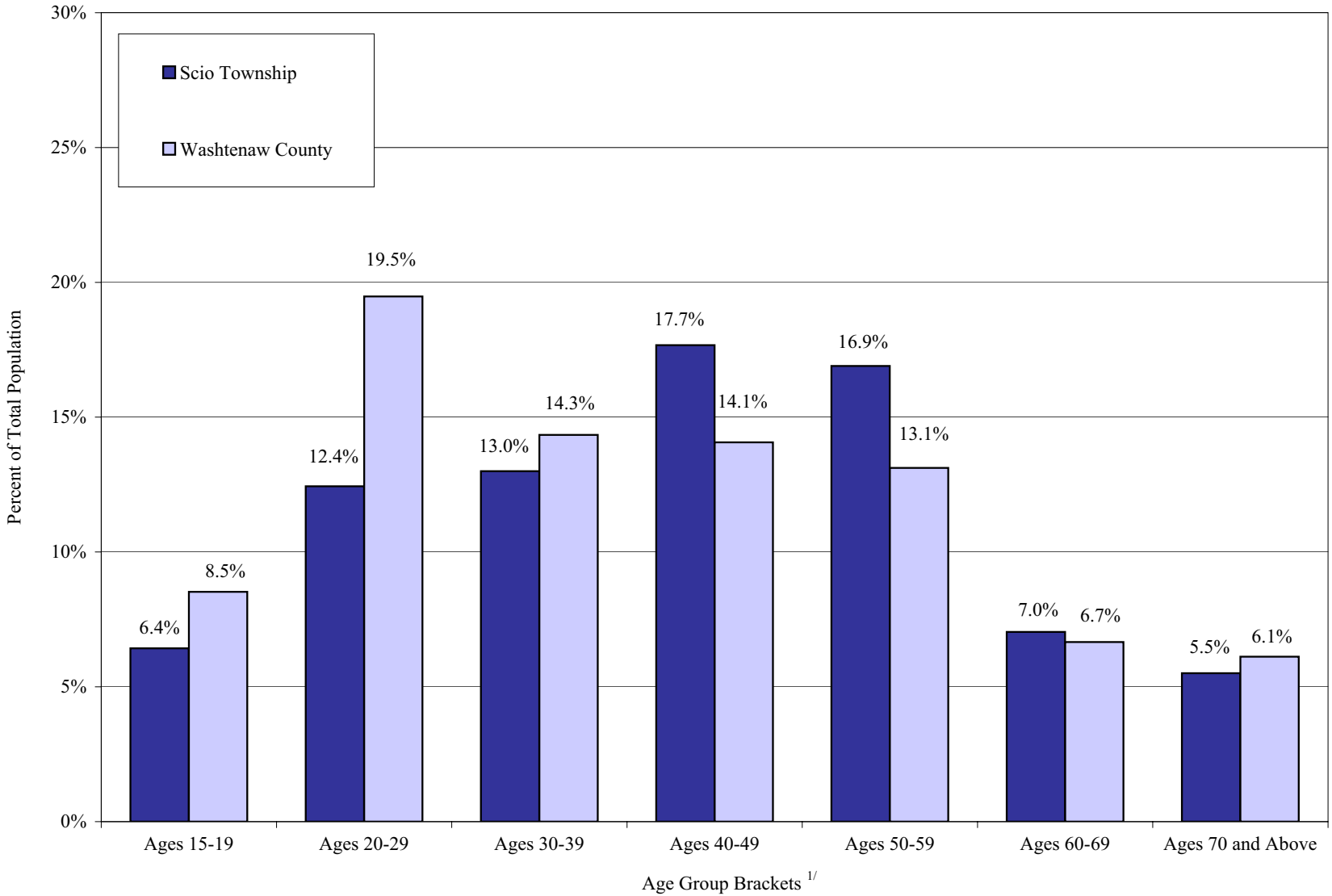
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-3. 2007 Per Capita Income Map - Scio Township and Trade Areas



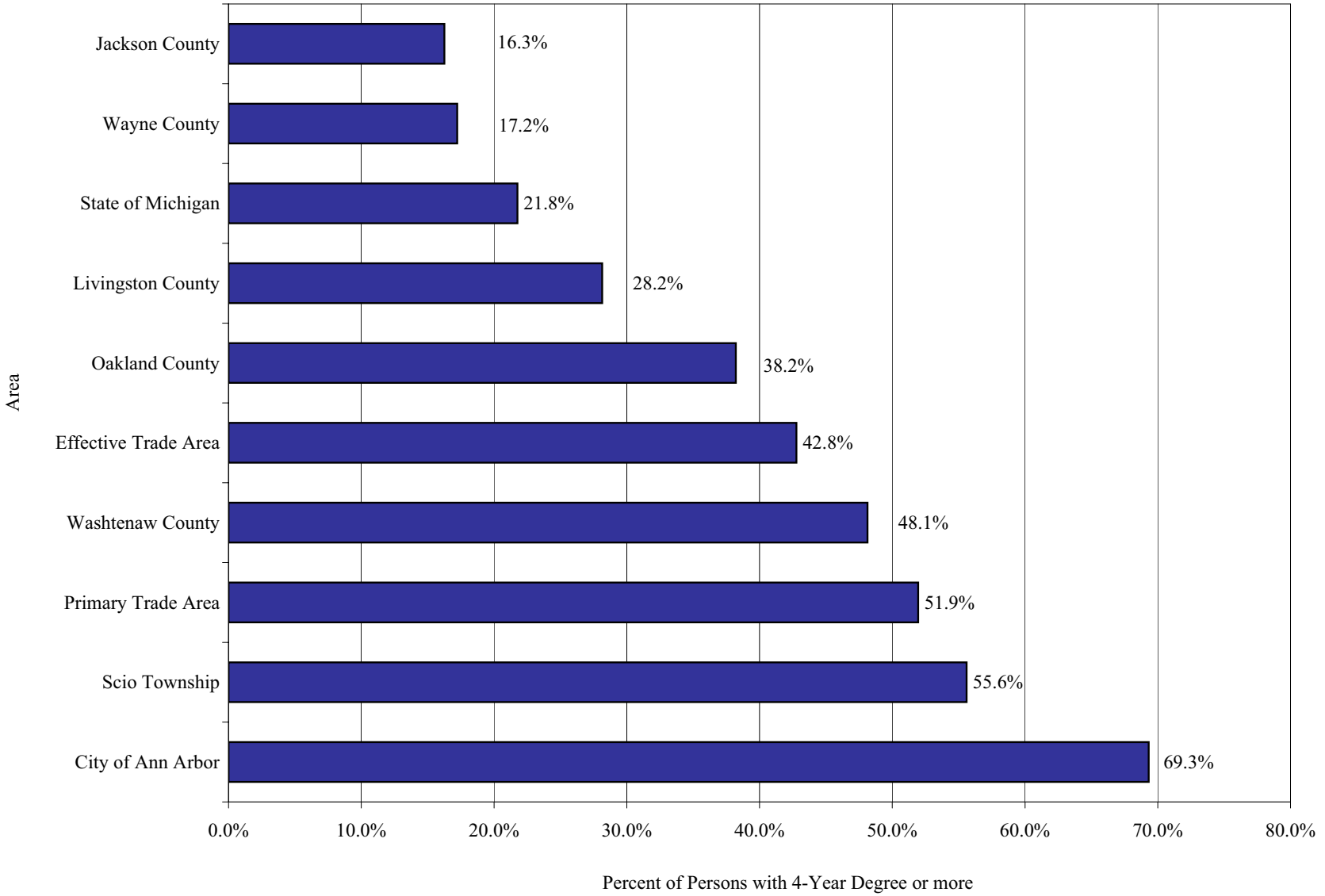
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-4. Age Group Brackets - Scio Township and Washtenaw County - 2007



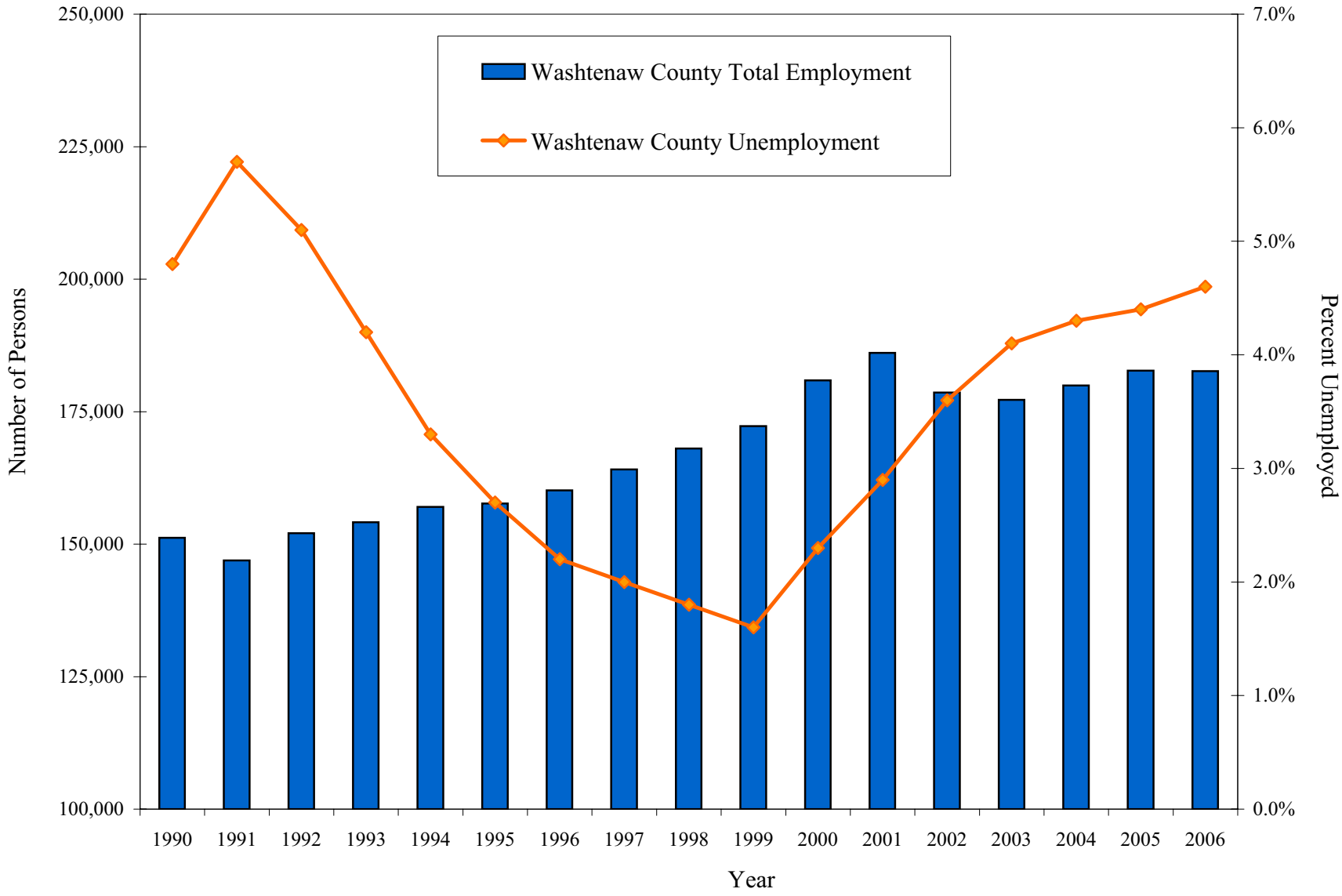
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.
1/Share of the total population for persons 14 and under in Scio Township and Washtenaw County is 21.0 and 17.7 percent, respectively.

Exhibit B-5. Educational Attainment - Scio Township, Region, and the State - 2000



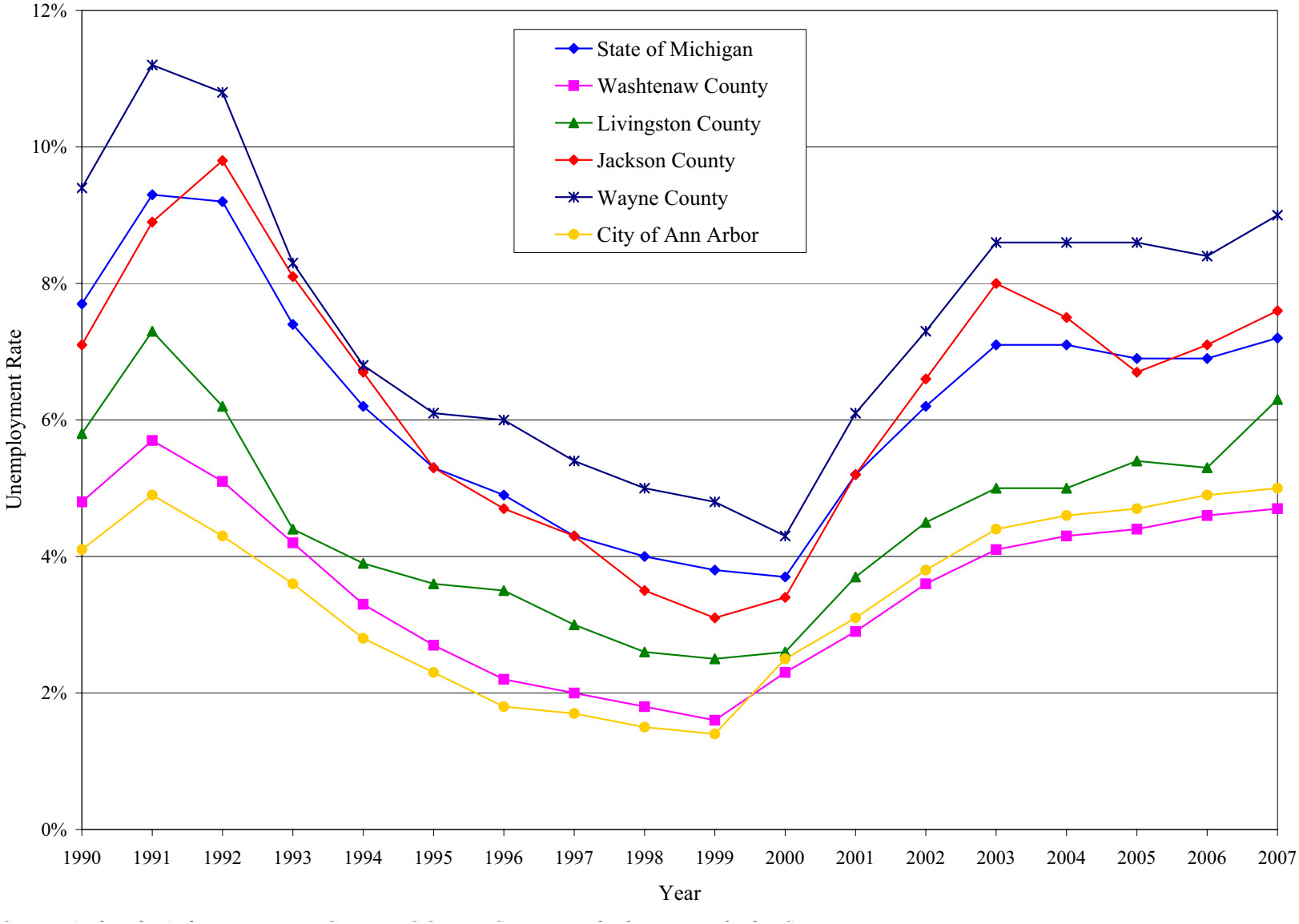
Source: Anderson Economic Group, LLC 2008.Base data provided by ESRI, Inc. 2000.

Exhibit B-6. Total Employment vs. Unemployment Trends - Washtenaw County - 1990 to 2006



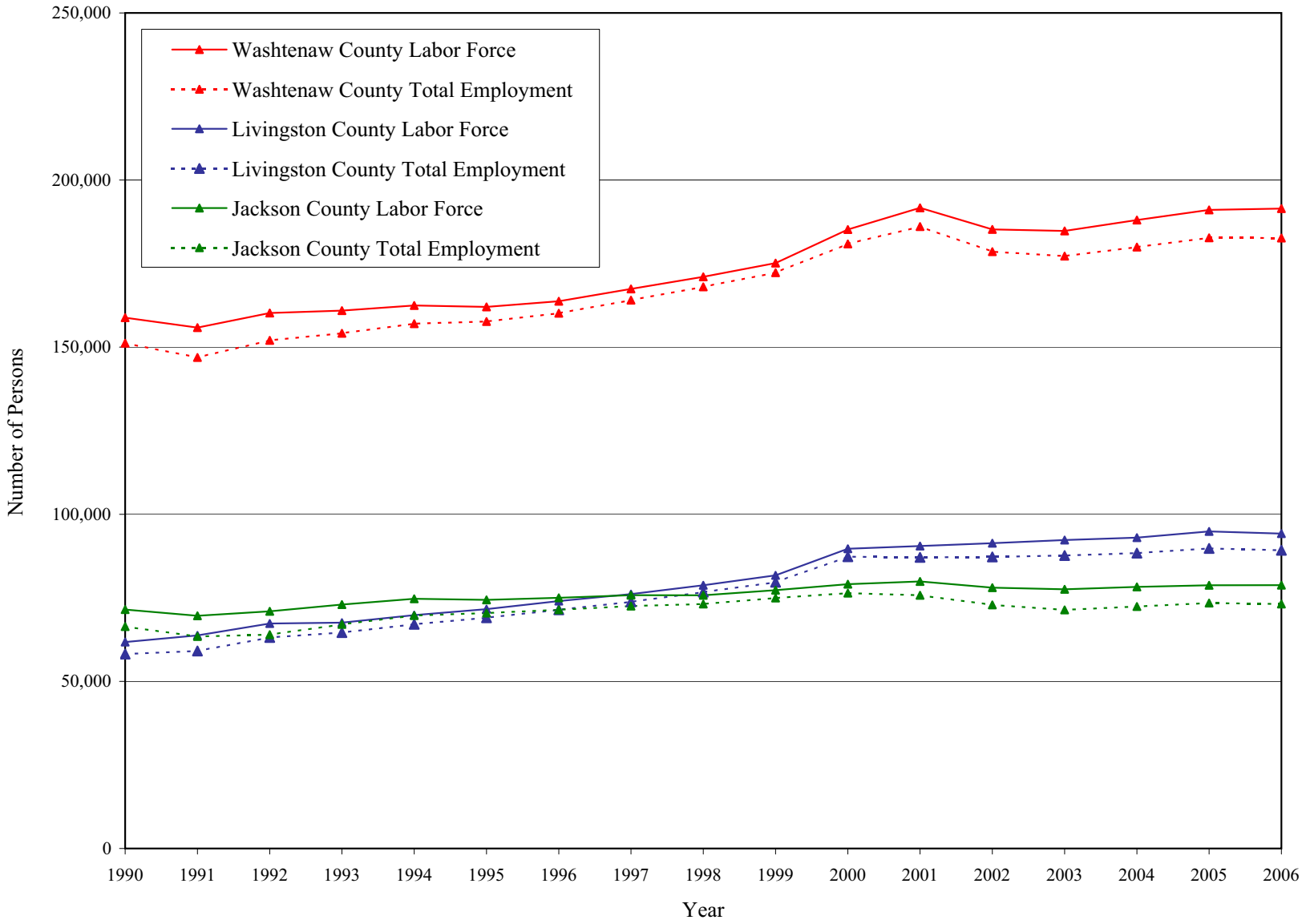
Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Labor Statistics, 2006.

Exhibit B-7. Unemployment Rates - Southern Michigan regions and the State - 1990 - 2007



Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Labor Statistics, 2007.

Exhibit B-8. Labor Force and Total Employment Trends - Washtenaw, Livingston, Jackson counties, and the State - 1990 - 2006



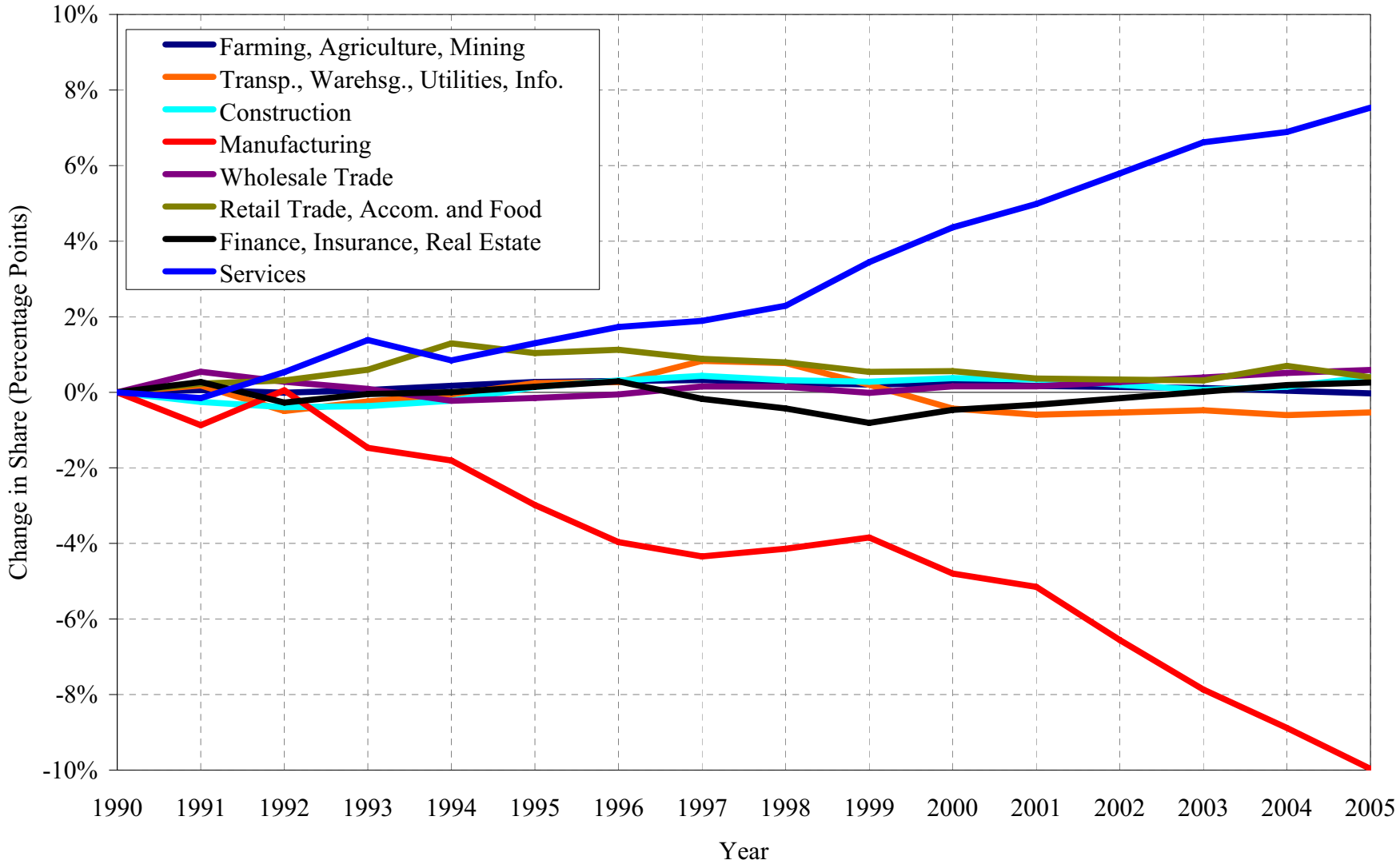
Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Labor Statistics, 2006.

Exhibit B-9. Employment by Industry - Scio Township, Washtenaw County, and the State of Michigan - 2007

	Scio Twp		*Washtenaw County*		*Michigan*	
	#	%	#	%	#	%
Agric/Forestry/Fishing	60	0.6	1,071	0.6	47,310	1.1
Mining	10	0.1	86	0.1	10,941	0.2
Construction	468	4.7	7,394	4.3	301,924	6.7
Manufacturing	1,185	11.9	20,912	12.3	807,984	18.0
Wholesale Trade	302	3.0	3,532	2.1	156,071	3.5
Retail Trade	1,050	10.5	16,485	9.7	530,133	11.8
Transportation/Warehousing	239	2.4	5,045	3.0	155,050	3.4
Utilities	97	1.0	1,000	0.6	40,059	0.9
Information	212	2.1	4,241	2.5	77,022	1.7
Finance/Insurance	284	2.9	5,001	2.9	179,024	4.0
Real Estate/Rental/Leasing	304	3.1	3,401	2.0	84,126	1.9
Prof/Scientific/Tech Services	890	8.9	14,567	8.6	231,373	5.1
Mgmt of Companies/Enterprises	0	0.0	120	0.1	4,341	0.1
Admin/Supp/Waste Mgmt Services	189	1.9	4,832	2.8	150,037	3.3
Educational Services	1,828	18.4	32,645	19.2	396,208	8.8
Health Care/Social Services	1,662	16.7	26,400	15.5	590,648	13.1
Arts/Entertainment/Rec	229	2.3	2,764	1.6	70,621	1.6
Accommodation/Food Services	354	3.6	10,268	6.0	279,890	6.2
Other Services	286	2.9	5,784	3.4	210,827	4.7
Public Administration	306	3.1	4,643	2.7	175,379	3.9
Total Employed in Industry	*9,955*		*170,191*		*4,498,968*	

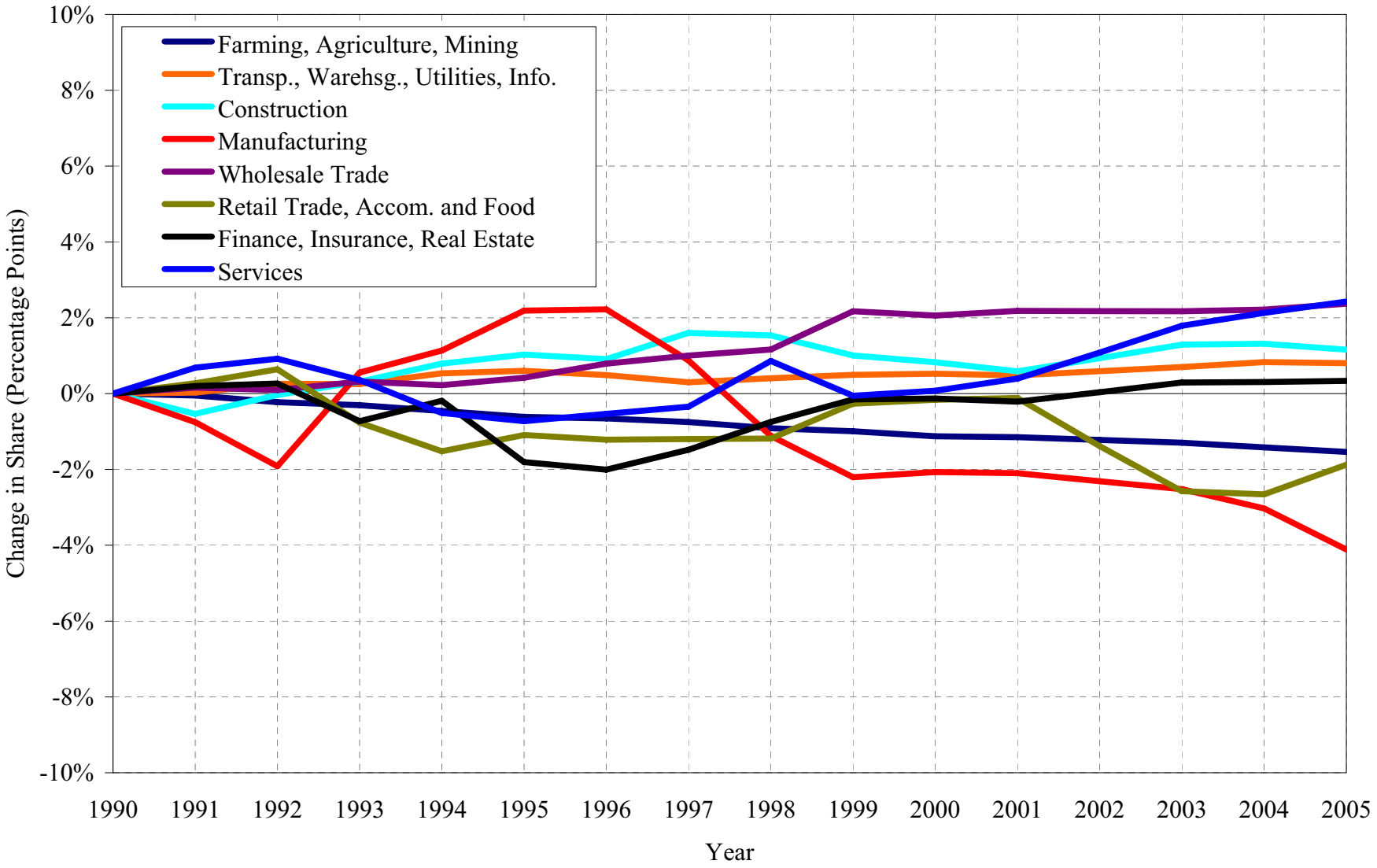
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007 and Bureau of Labor Statistics, May 2007.

Exhibit B-10. Change in Shares of Total Employment by Industry - Washtenaw County - 1990 - 2005



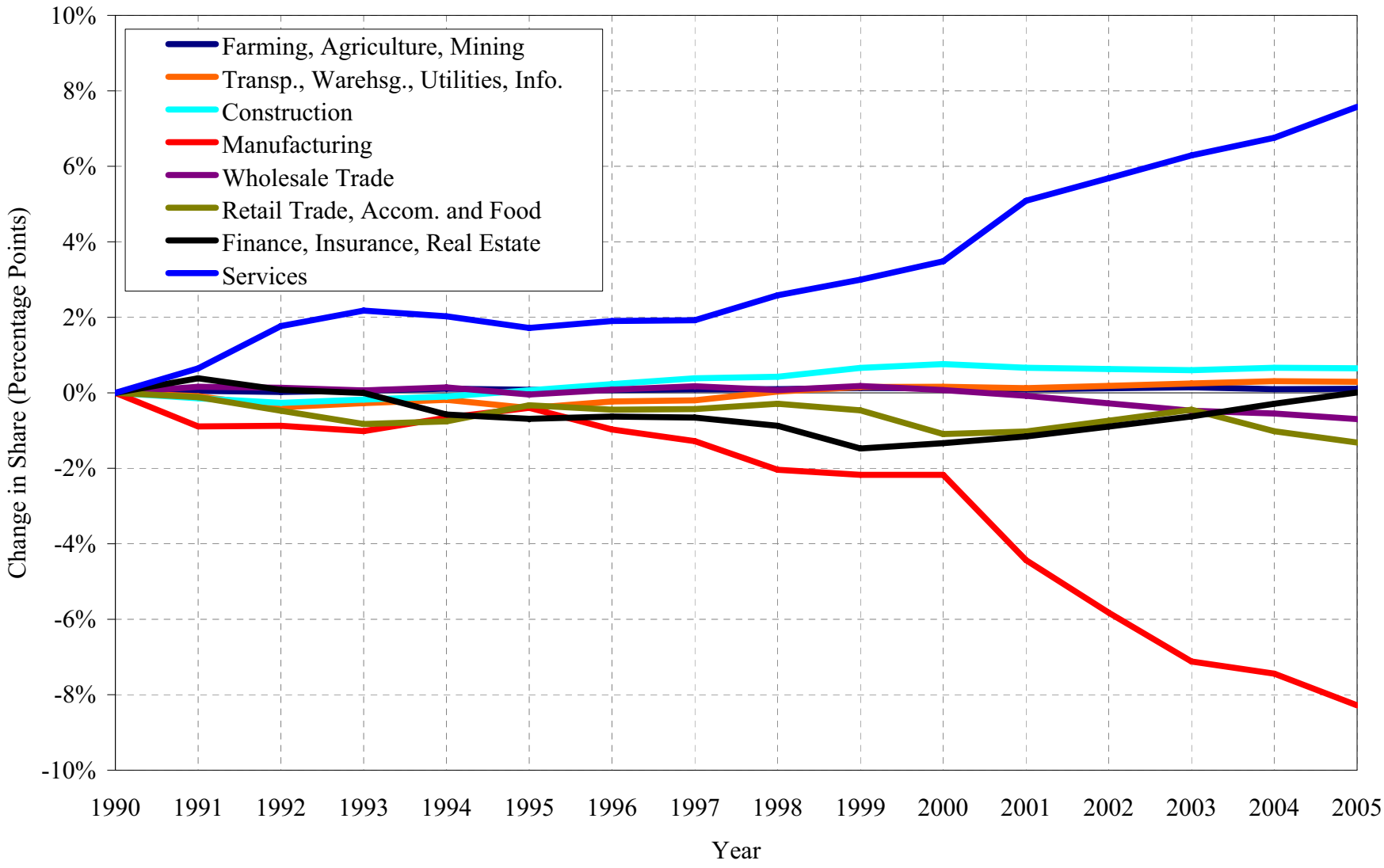
Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Economic Analysis, 2005.

Exhibit B-11. Change in Shares of Total Employment by Industry - Livingston County - 1990 - 2005



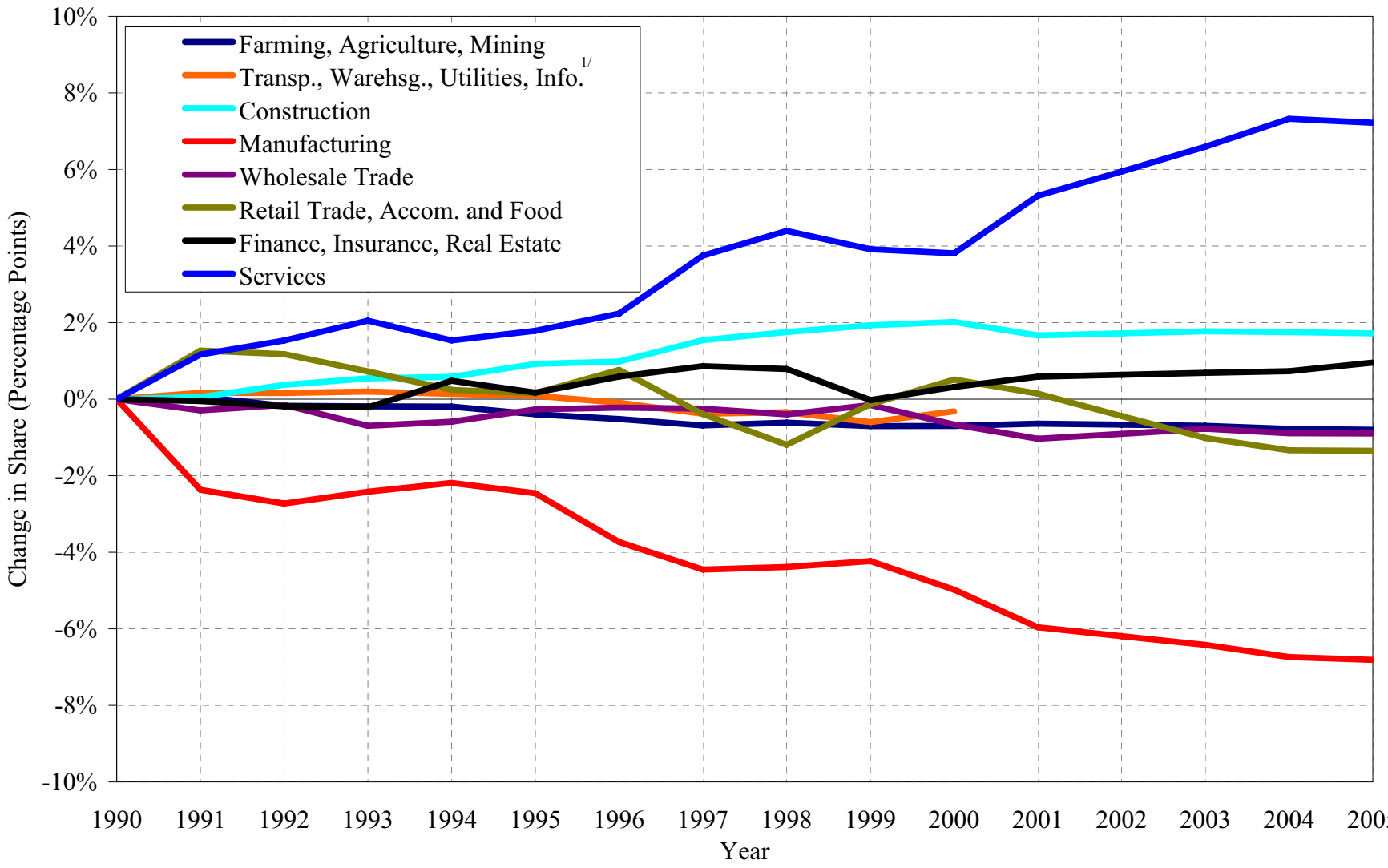
Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Economic Analysis, 2005.

Exhibit B-12. Change in Shares of Total Employment by Industry - Wayne County - 1990 - 2005



Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Economic Analysis, 2005.

Exhibit B-13. Change in Shares of Total Employment by Industry - Jackson County - 1990 - 2005



Source: Anderson Economic Group, LLC 2008. Base data provided by the Bureau of Economic Analysis, 2005.
1/ Data for this industry in Jackson County not available after the year 2000.

Exhibit B-14. Employment by Occupation - Scio Township, Washtenaw County, and the State of Michigan - 2007

	Scio Twp			*Washtenaw County*		*Michigan*		
	#	*%*	*Mean Salary [1] ($)*	*#*	*%*	*#*	*%*	*Mean Salary ($)*
Management including Farmers/Farm Mgrs	1,367	13.7	100,920	16,532	9.7	366,087	8.1	95,110
Business/Financial	492	4.9	59,660	7,513	4.4	177,336	3.9	64,540
Computer and Mathematical	423	4.2	62,810	6,901	4.1	78,967	1.8	66,980
Architecture/Engineering	415	4.2	70,530	6,934	4.1	123,741	2.8	71,480
Life/Physical/Social Science	279	2.8	58,690	5,398	3.2	35,405	0.8	59,820
Community/Social Services	169	1.7	48,100	3,509	2.1	72,144	1.6	43,220
Legal	184	1.8	86,930	2,132	1.3	43,190	1.0	90,450
Education/Training/Library	883	8.9	70,250	18,319	10.8	258,550	5.7	50,470
Arts/Design/Entert/Sports/Media	398	4.0	49,220	4,392	2.6	73,440	1.6	47,640
Health Practitioner/Technician	1,090	10.9	63,560	13,742	8.1	254,996	5.7	65,250
Healthcare Support	162	1.6	34,470	3,229	1.9	117,589	2.6	26,430
Protective Service	138	1.4	45,880	2,598	1.5	87,751	2.0	39,720
Food Preparation/Serving Related	376	3.8	20,560	9,367	5.5	253,637	5.6	19,450
Building/Grounds Cleaning/Maint	155	1.6	26,890	4,558	2.7	142,804	3.2	25,390
Personal Care/Service	260	2.6	24,060	4,958	2.9	146,816	3.3	24,800
Sales/Related	1,062	10.7	34,650	15,471	9.1	495,675	11.0	34,440
Office/Administrative Support	945	9.5	32,820	19,965	11.7	600,601	13.3	31,990
Farming/Fishing/Forestry[2]	10	0.1	-	374	0.2	15,976	0.4	-
Construction Trades Worker	287	2.9	52,580	5,283	3.1	231,650	5.1	45,850
Installation/Maintenance/Repair	195	2.0	47,860	4,939	2.9	214,002	4.8	44,100
Production	328	3.3	43,440	7,952	4.7	422,985	9.4	36,960
Transportation/Material Moving	339	3.4	34,150	6,125	3.6	285,626	6.3	33,290
Total Employed in Occupation	*9,957*			*170,191*		*4,498,968*		

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007 and Bureau of Labor Statistics, May 2007 State Occupational Employment and Wages.
1.Mean salaries reflect the Ann Arbor MSA averages, which is also Washtenaw County.
2.Farming/Fishing/Forestry salary information was unavailable.

Exhibit B-15. Location Quotient and Shift-Share Analysis - Industry Analysis - Scio Township vs. the State of Michigan

Industry Name	*LQ Score*	*Multiplier*	*Export Potential*	*Import Potential*	*Shift Growth(%)*	*Share Growth(%)*
Agric/Forestry/Fishing	0.57	1.34	-	0.74	17	7
Mining	0.41	0.70	-	1.42	40	49
Construction	0.70	2.34	-	0.43	16	6
Manufacturing	0.66	1.97	-	0.51	-21	-26
Wholesale Trade	0.87	6.97	-	0.14	10	0
Retail Trade	0.90	8.53	-	0.12	12	1
Transportation/Warehousing	0.70	2.30	-	0.44	16	6
Utilities	**1.09**	**11.60**	**0.09**	-	**11**	**1**
Information	**1.24**	**5.10**	**0.20**	-	**-11**	**-19**
Finance/Insurance	0.72	2.53	-	0.39	12	2
Real Estate/Rental/Leasing	**1.63**	**2.58**	**0.39**	-	**25**	**19**
Prof/Scientific/Tech Services	**1.74**	**2.35**	**0.42**	-	**12**	**1**
Mgmt of Companies/Enterprises	0.00	0.00	-	-	0	0
Admin/Supp/Waste Mgmt Services	0.57	1.32	-	0.76	29	26
Educational Services	**2.09**	**1.92**	**0.52**	-	**14**	**4**
Health Care/Social Services	**1.27**	**4.68**	**0.21**	-	**21**	**13**
Arts/Entertainment/Rec	**1.47**	**3.15**	**0.32**	-	**14**	**4**
Accommodation/Food Services	0.57	1.33	-	0.75	14	4
Other Services (excl Pub Adm)	0.61	1.58	-	0.63	11	1
Public Administration	0.79	3.73	-	0.27	16	7

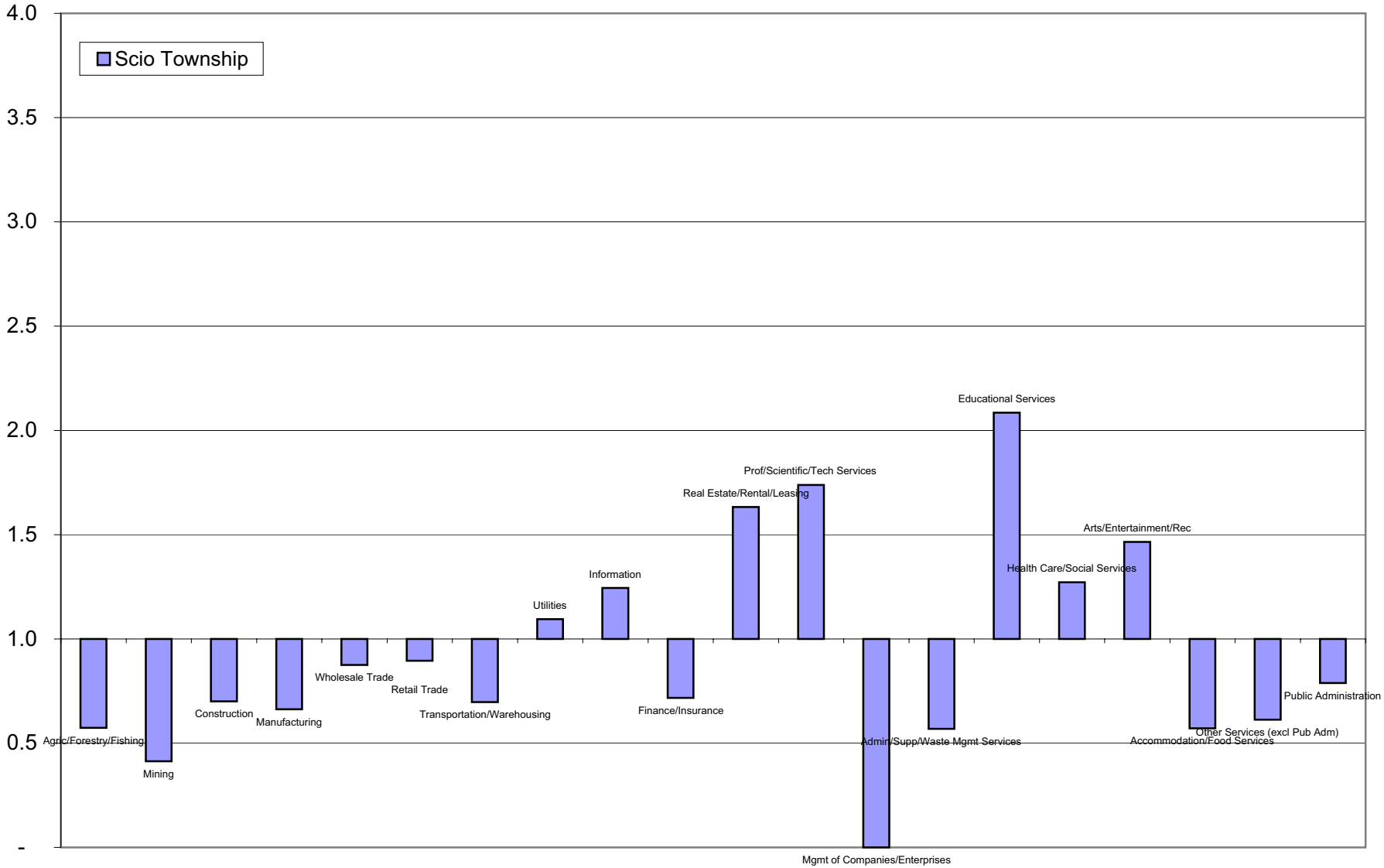
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-16. Location Quotient and Shift-Share Analysis - Occupation Analysis - Scio Township vs. the State of Michigan

Occupation	*LQ Score*	*Multiplier*	*Export Potential*	*Import Potential*	*Shift Growth(%)*	*Share Growth(%)*
Management including Farmers/Farm Mgrs	**1.69**	**2.45**	**0.41**	**-**	**8**	**-2**
Business/Financial	1.25	4.94	0.20	-	12	1
Computer and Mathematical	**2.42**	**1.70**	**0.59**	**-**	**1**	**-10**
Architecture/Engineering	**1.52**	**2.94**	**0.34**	**-**	**-1**	**-12**
Life/Physical/Social Science	**3.56**	**1.39**	**0.72**	**-**	**8**	**-3**
Community/Social Services	1.06	18.05	0.06	-	24	18
Legal	**1.93**	**2.08**	**0.48**	**-**	**25**	**19**
Education/Training/Library	**1.54**	**2.84**	**0.35**	**-**	**18**	**9**
Arts/Design/Entert/Sports/Media	**2.45**	**1.69**	**0.59**	**-**	**9**	**-2**
Health Practitioner/Technician	**1.93**	**2.07**	**0.48**	**-**	**23**	**16**
Healthcare Support	0.62	1.65	-	0.61	37	42
Protective Service	0.71	2.46	-	0.41	17	7
Food Preparation/Serving Related	0.67	2.03	-	0.49	20	12
Building/Grounds Cleaning/Maint	0.49	0.96	-	1.04	9	-2
Personal Care/Service	0.80	4.01	-	0.25	17	0
Sales/Related	0.97	30.52	-	0.03	11	0
Office/Administrative Support	0.71	2.46	-	0.41	-3	-13
Farming/Fishing/Forestry	0.28	0.39	-	2.54	-20	-25
Construction Trades Worker	0.56	1.27	-	0.79	8	-2
Installation/Maintenance/Repair	0.41	0.70	-	1.43	18	9
Production	0.35	0.54	-	1.85	-25	-28
Transportation/Material Moving	0.54	1.16	-	0.86	15	6

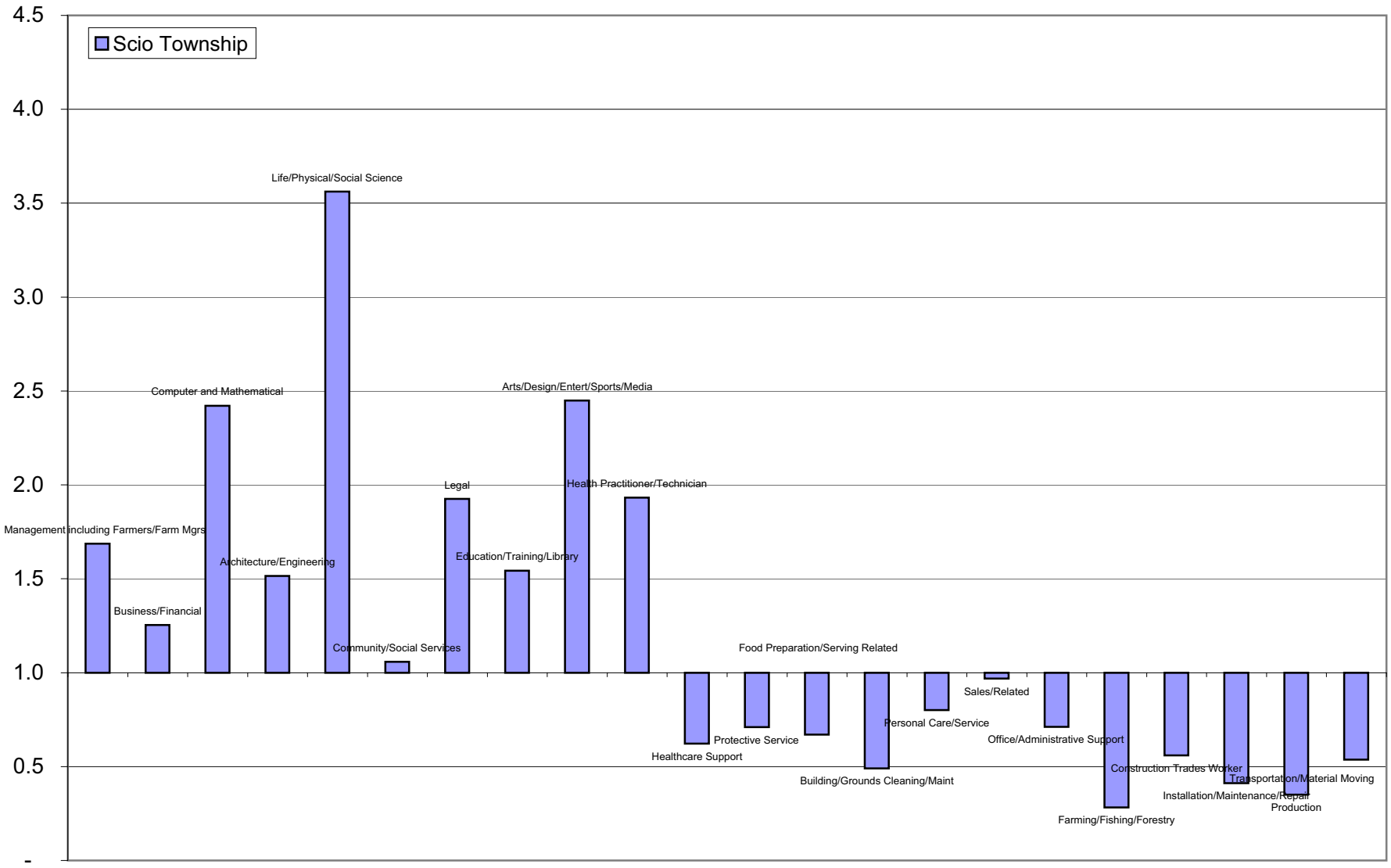
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-17. Location Quotient Analysis - Industry Analysis - Scio Township vs. the State of Michigan



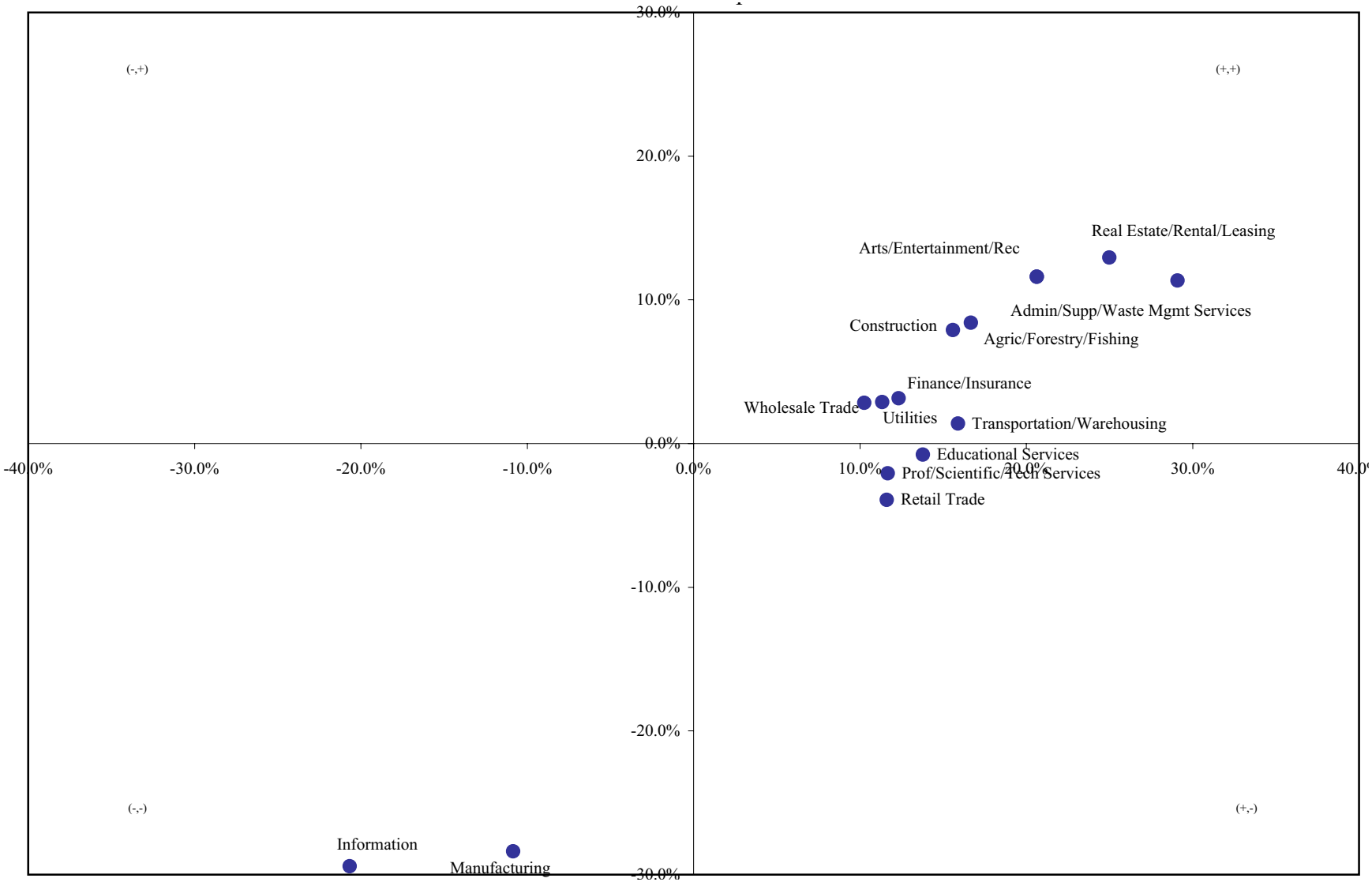
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-18. Location Quotient Analysis - Occupation Analysis - Scio Township vs. the State of Michigan



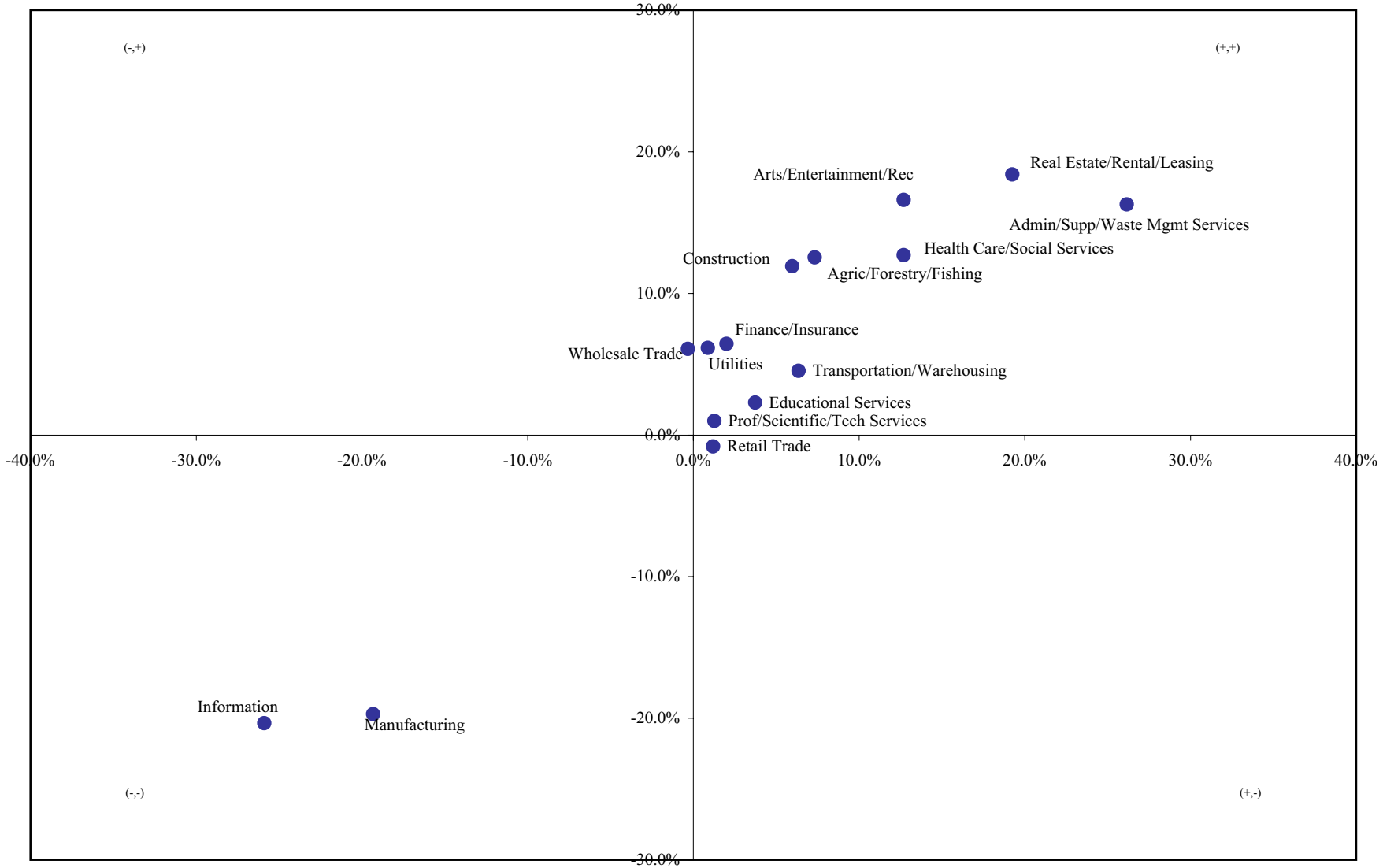
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit B-19. Shift Plot - Industry Analysis - Scio Township vs. the State of Michigan - 2000-2007



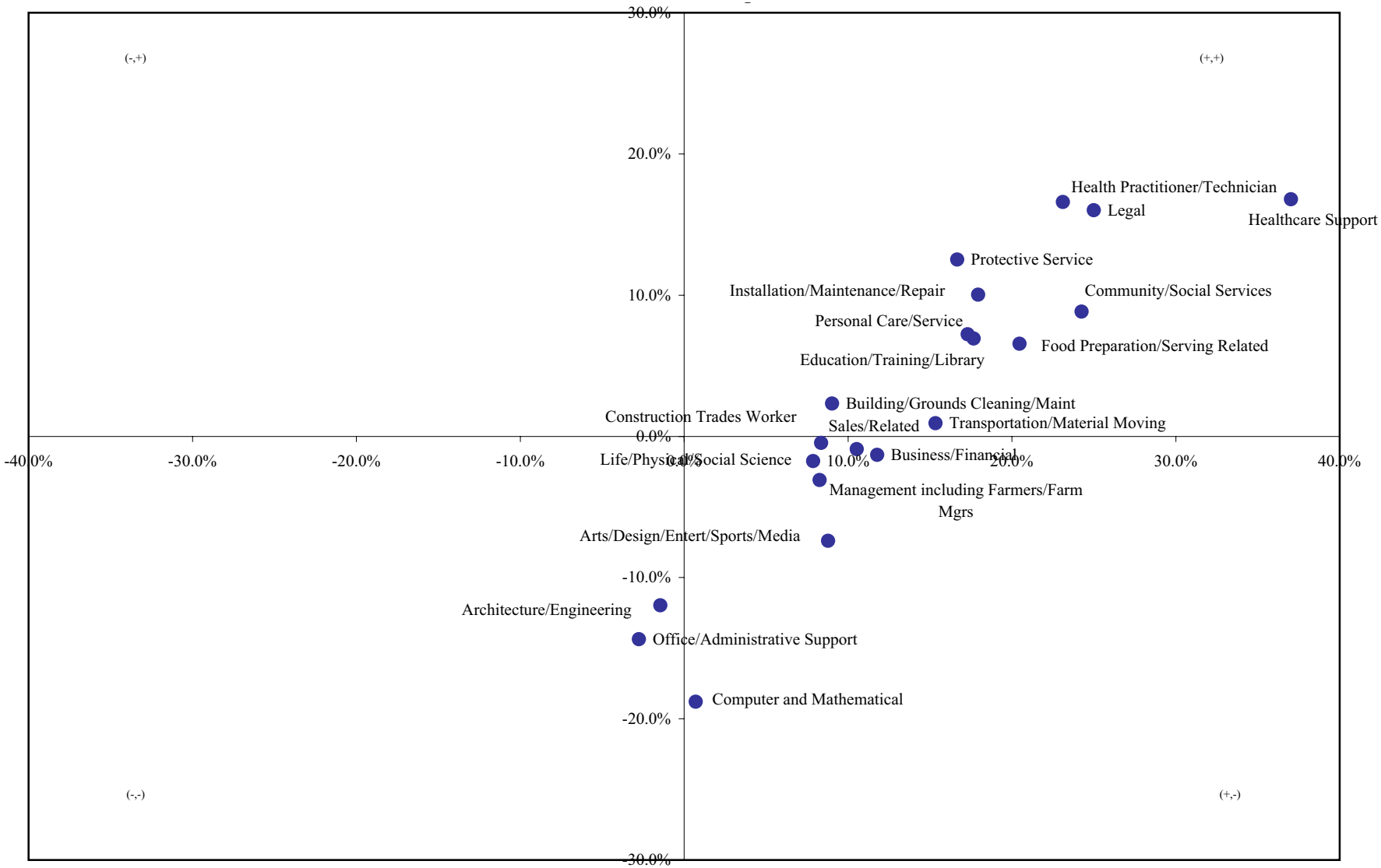
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.
The x-axis represents the local shift and the y-axis represents the state shift.

Exhibit B-20. Share Plot - Industry Analysis - Scio Township vs. the State of Michigan - 2000-2007



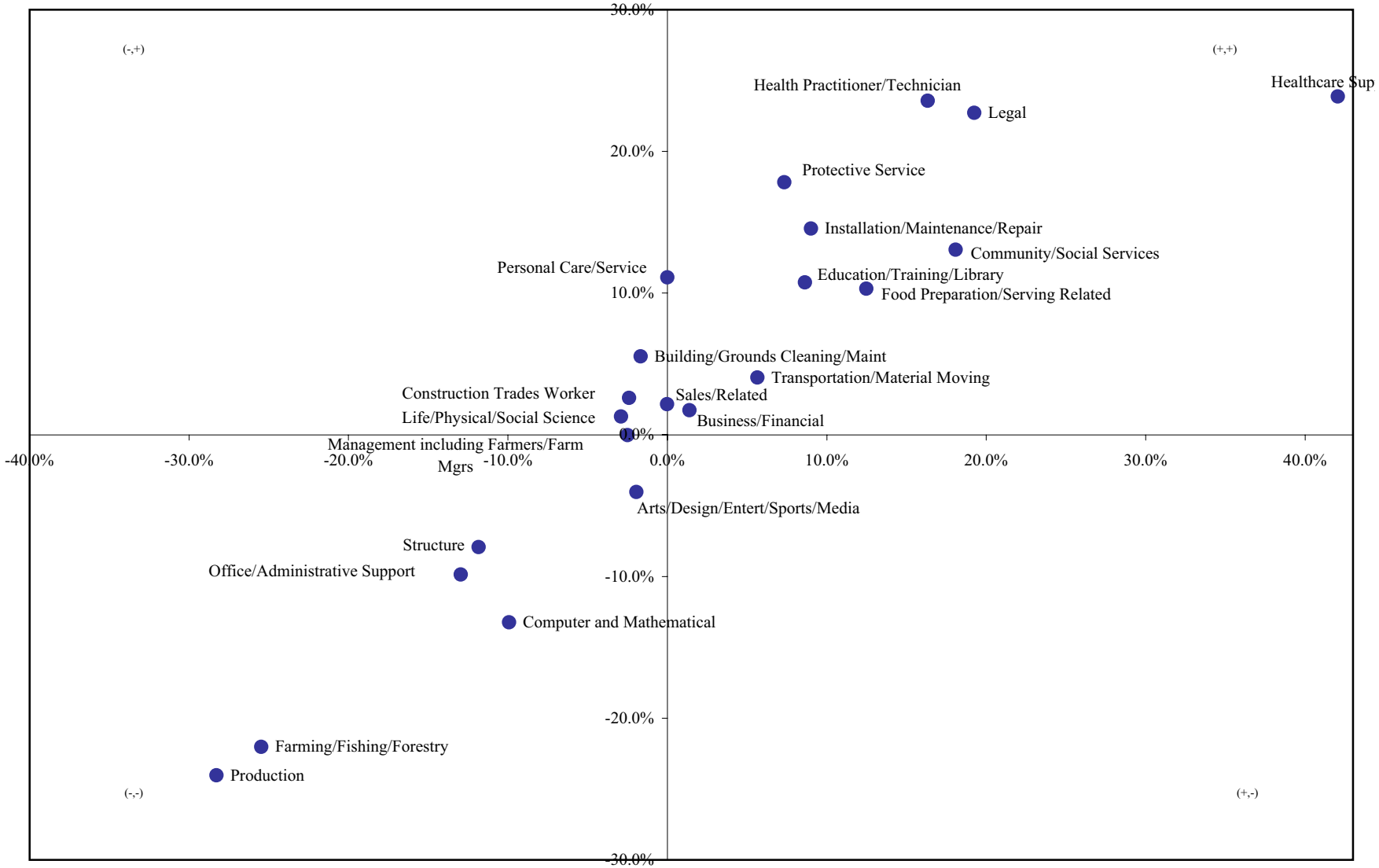
Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.
The x-axis represents the local share and the y-axis represents the state share.

Exhibit B-21. Shift Plot - Occupation Analysis - Scio Township vs. the State of Michigan - 2000-2007



Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.
The x-axis represents the local shift and the y-axis represents the state shift.

Exhibit B-22. Share Plot - Occupation Analysis - Scio Township vs. the State of Michigan - 2000-2007



Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.
The x-axis represents the local share and the y-axis represents the state share.

Exhibit B-23. Commuter Data - Scio Township, Trade Areas, Washtenaw County and State

	Scio Township	City of Ann Arbor	Primary Trade Area	Effective Trade Area	Washtenaw County	State of Michigan
MODE OF TRAVEL TO WORK						
2000 Total Private Trans (#)	7,434	39,088	29,153	273,573	130,196	3,788,267
2000 Total Carpooled Trans (#)	720	4,717	2,982	24,381	14,386	440,606
2000 Total Public Trans (#)	44	3,935	622	5,787	5,494	60,537
2000 Total Other Trans (#)	148	9,713	1,505	14,930	13,097	123,197
2000 Total Private Trans (%)	89.1%	68.0%	85.1%	85.8%	79.8%	85.9%
2000 Total Carpooled Trans (%)	8.6%	8.2%	8.7%	7.7%	8.8%	10.0%
2000 Total Public Trans (%)	0.5%	6.8%	1.8%	1.8%	3.4%	1.4%
2000 Total Other Trans (%)	1.8%	16.9%	4.4%	4.7%	8.0%	2.8%
TRAVEL TIME TO WORK						
2000 Travel Time <15 min	2,174	25,430	10,165	85,570	52,668	1,347,958
2000 Travel Time 15-29 min	4,215	20,528	13,681	117,514	65,885	1,675,839
2000 Travel Time 30-44 min	1,198	6,309	6,262	71,704	27,062	820,958
2000 Travel Time 45-59 min	366	3,162	2,420	27,709	10,565	304,785
2000 Travel Time 60+ min	391	2,022	1,735	16,174	6,993	263,067
2000 Travel Time <15 min	26.0%	44.3%	29.7%	26.9%	32.3%	30.5%
2000 Travel Time 15-29 min	50.5%	35.7%	39.9%	36.9%	40.4%	38.0%
2000 Travel Time 30-44 min	14.4%	11.0%	18.3%	22.5%	16.6%	18.6%
2000 Travel Time 45-59 min	4.4%	5.5%	7.1%	8.7%	6.5%	6.9%
2000 Travel Time 60+ min	4.7%	3.5%	5.1%	5.1%	4.3%	6.0%
VEHICLE OWNERSHIP						
2000 Hhlds with 0 Cars (#)	108	4,330	1,174	12,446	8,527	290,240
2000 Hhlds with 1 or More Cars (#)	5,933	41,338	25,074	228,824	116,800	3,495,421
2000 Hhlds with 2 or More Cars (#)	4,252	21,031	16,720	152,297	71,045	2,217,766
2000 Hhlds with 3 or More Cars (#)	1,197	4,741	4,873	45,012	19,847	676,190
2000 Hhlds with 0 Cars (%)	1.8%	9.5%	4.5%	5.2%	6.8%	7.7%
2000 Hhlds with 1 or More Cars (%)	98.2%	90.5%	95.5%	94.8%	93.2%	92.3%
2000 Hhlds with 2 or More Cars (%)	70.4%	46.1%	63.7%	63.1%	56.7%	58.6%
2000 Hhlds with 3 or More Cars (%)	19.8%	10.4%	18.6%	18.7%	15.8%	17.9%
2000 Avg. # of Vehicles: HHs	1.9	1.5	1.9	1.8	1.7	1.8

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Appendix C: Places

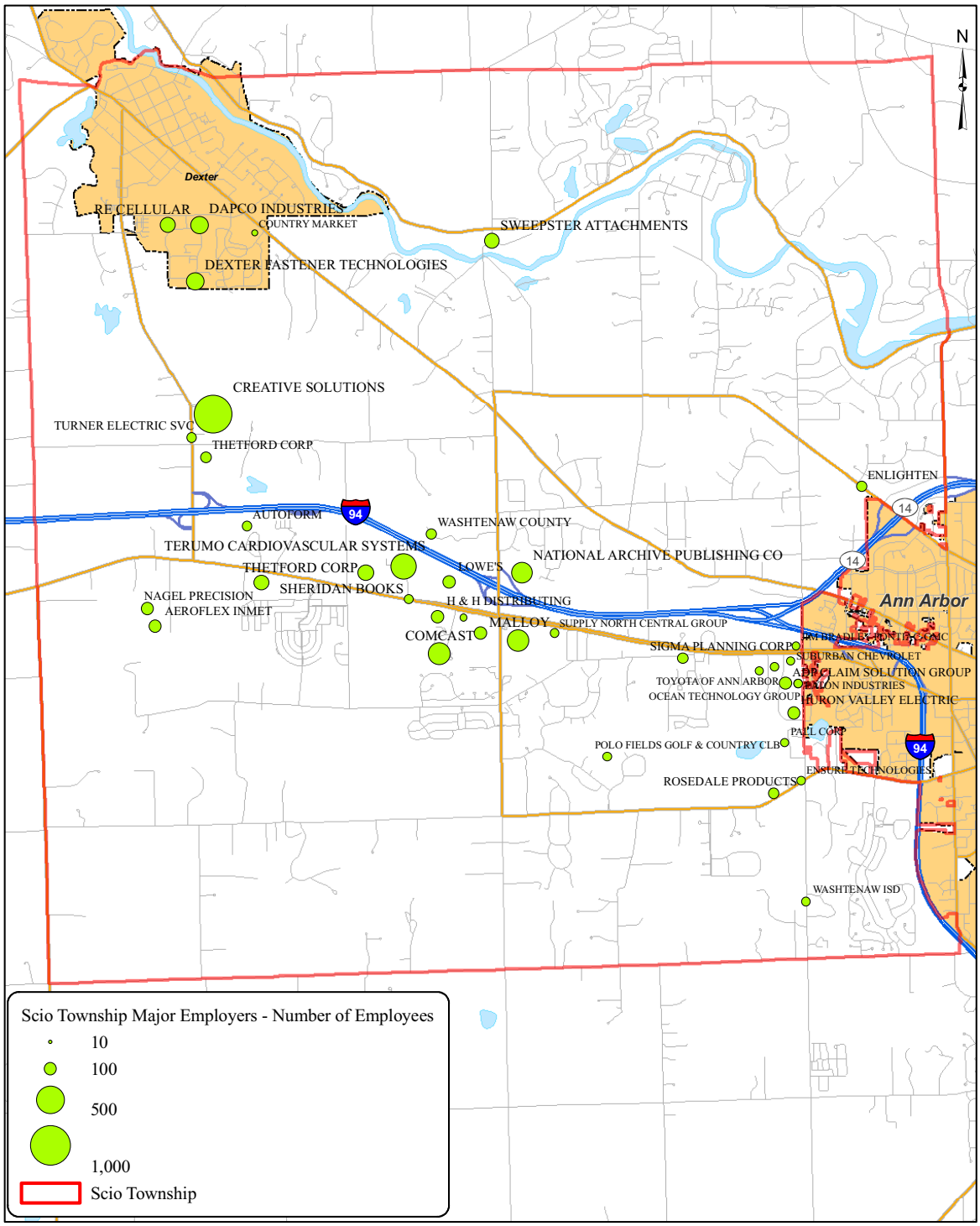
Exhibits in this section include:

Exhibit C-1. Major Employers in Washtenaw County with 200 or More Employees

Company	*Number of Employees*	*Description*
University of Michigan	16,143	Public University
University of Mich Medical School	12,000	Medical Center
Trinity Health	4,500	Medical Center
General Motors Corp/Powertrain Div	3511	Manufacturer Of Automotive Powertrains
Ann Arbor Public Schools	3,000	Public School
Ford Motor Company	2000	Mfg. Automotive Components
Eastern Michigan University	1,932	Public University
Washtenaw Community College	1,559	Education
Washtenaw County	1,300	County Government
Johnson Controls	1300	Manufacture Instrument Panels, Consoles
Veterans Administration Medical Center	1,230	Medical Center
Borders Group, Inc.	1200	Book Retailer Headquarters
Toyota Technical Center Ann Arbor	942	Automotive Research
United States Post Office	923	Us Government
ABN Amro Mortgage	850	Mortgage Lender
Chelsea Community Hospital	800	Medical Center
Creative Solutions	800	Software For Accountants
City of Ann Arbor	780	Municipality
Pfizer Global Research & Development	750	Pharmaceutical R&d
Chrysler Proving Grounds	750	Endurance & Durability Testing
Saline Public Schools	613	Public School
Domino's Pizza Inc.	550	Dominos Pizza Headquarters
ProQuest	475	Information - Online
Edwards Brothers, Inc.	450	Book Printing
Life Sciences Institute	450	University Research Institute
General Dynamics	450	Advanced Information Systems
Terumo Cardiovascular Systems	410	Surgical & Medical Instruments, Cardiovascular
Comcast Corporation	400	Cable Utility
National Vehicle and Fuel Emissions Laboratory	400	Motor Vehicle Testing
Thomson Healthcare	400	Health Care Information, Software, Databases
Malloy Lithographing Inc.	350	Book Printing
Chelsea Milling Company	330	Manufacture Pre-mixed Baking Mixes
Cottage Inn Pizza Inc	300	Headquarters Pizza Chain
JAC Products Inc.	295	Injection Molded Parts, Suv Racks
Thomson-Shore, Inc.	285	Book Printing
National Archive Publishing Company	283	Microfilm, Digital Conversion
NSK Corporation, Bearing Division	270	Bearings
Thetford Corporation	230	Leisure Sanitation Equipment
McNaughton & Gunn, Inc.	210	Book Printing
Dexter Fastener Technologies	208	Automotive Component Manufacture
NSK Bearings Mfg.	200	Manufacture Bearings
Pollard Banknote Ltd.	200	Print Lottery Tickets
Con-Way Transportation Services	200	Headquarters - Trucking

Source: Anderson Economic Group, LLC 2008.
Base data provided by Ann Arbor SPARK, 2008.

Exhibit C-2. Major Employers in Scio Township



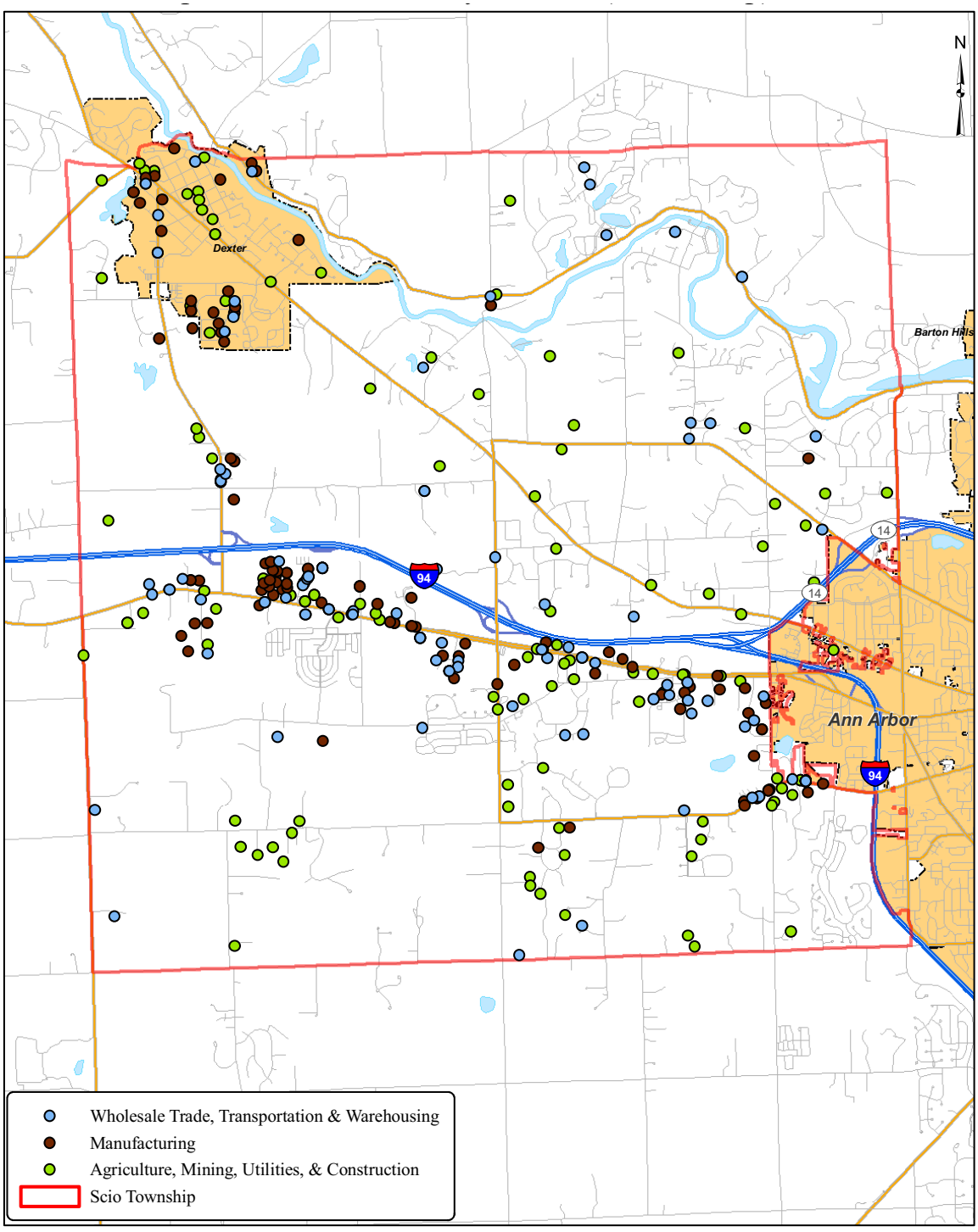
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007.

Exhibit C-3. Two-Way Traffic Counts in Scio Township

Street	*Total Traffic*	*Location*	*Direction*
I-94 EB	79,610	E. of BAKER	EB
I-94 WB	79,610	E. of BAKER	WB
JACKSON	24,584	W. of WAGNER	EB
JACKSON	24,584	W. of WAGNER	WB
ZEEB	21,634	BTW. I-94 RAMPS	NB
ZEEB	21,634	BTW. I-94 RAMPS	SB
JACKSON	20,994	E. of ZEEB	EB
JACKSON	20,994	E. of ZEEB	WB
ZEEB	20,716	N. of I-94	NB
ZEEB	20,716	N. of I-94	SB
JACKSON	19,938	W. of JACKSON INDUSTRIAL	EB
JACKSON	19,938	W. of JACKSON INDUSTRIAL	WB
JACKSON	19,561	W. of ZEEB	EB
JACKSON	19,561	W. of ZEEB	WB
JACKSON	19,064	E. of JACKSON INDUSTRIAL	EB
JACKSON	19,064	E. of JACKSON INDUSTRIAL	WB
DEXTER-PINCKNEY	17,120	E. of DEXTER-CHELSEA	EB
DEXTER-PINCKNEY	17,120	E. of DEXTER-CHELSEA	WB
BAKER	16,267	S. of MARSHALL	NB
BAKER	16,267	S. of MARSHALL	SB
JACKSON	15,771	E. of CHESTNUT	EB
JACKSON	15,771	E. of CHESTNUT	WB
BAKER	15,323	N. of SHIELD	NB
BAKER	15,323	N. of SHIELD	SB
ZEEB	15,052	S. of JACKSON	NB
ZEEB	15,052	S. of JACKSON	SB
BAKER	14,430	S. of NEWMAN BLVD	NB
BAKER	14,430	S. of NEWMAN BLVD	SB
WAGNER	14,428	N. of JACKSON	NB
WAGNER	14,428	N. of JACKSON	SB
BAKER	14,395	N. of NEWMAN BLVD	NB
BAKER	14,395	N. of NEWMAN BLVD	SB
BAKER	14,233	S. of SHIELD	NB
BAKER	14,233	S. of SHIELD	SB
DEXTER-ANN ARBOR	13,800	W. of ZEEB	EB
DEXTER-ANN ARBOR	13,800	W. of ZEEB	WB
JACKSON	13,702	W. of CHESTNUT	EB
JACKSON	13,702	W. of CHESTNUT	WB
WAGNER	13,494	S. of JACKSON	NB
WAGNER	13,494	S. of JACKSON	SB
ZEEB	13,087	S. of DEXTER-ANN ARBOR	NB
ZEEB	13,087	S. of DEXTER-ANN ARBOR	SB
BAKER	12,895	N. of JACKSON	NB
BAKER	12,895	N. of JACKSON	SB
JACKSON	12,666	E. of BAKER	EB
JACKSON	12,666	E. of BAKER	WB
WAGNER	11,310	S. of DEXTER-ANN ARBOR	NB
WAGNER	11,310	S. of DEXTER-ANN ARBOR	SB
WAGNER	11,207	N. of LIBERTY	NB
WAGNER	11,207	N. of LIBERTY	SB
LIBERTY	10,777	E. of WAGNER	EB
LIBERTY	10,777	E. of WAGNER	WB
ZEEB	10,735	N. of LIBERTY	NB
ZEEB	10,735	N. of LIBERTY	SB
JACKSON	10,172	W. of BAKER	EB
JACKSON	10,172	W. of BAKER	WB

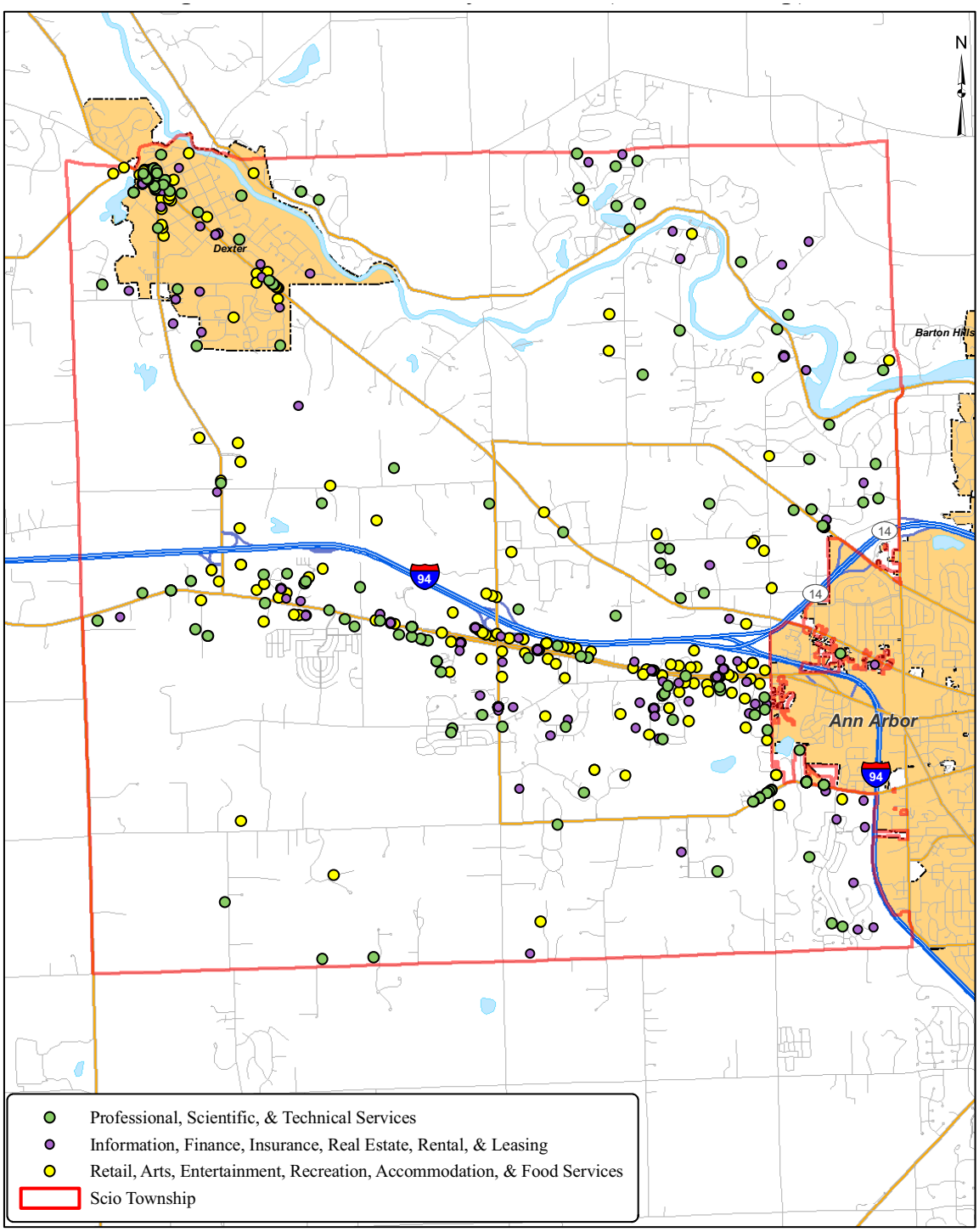
Source: Anderson Economic Group, LLC 2008.
Base data provided by Washtenaw Area Transportation Study (www.miwats.org).

Exhibit C-4. Business Cluster Analysis - Wholesale Trade, Manufacturing, and Agriculture Industries - Scio Township



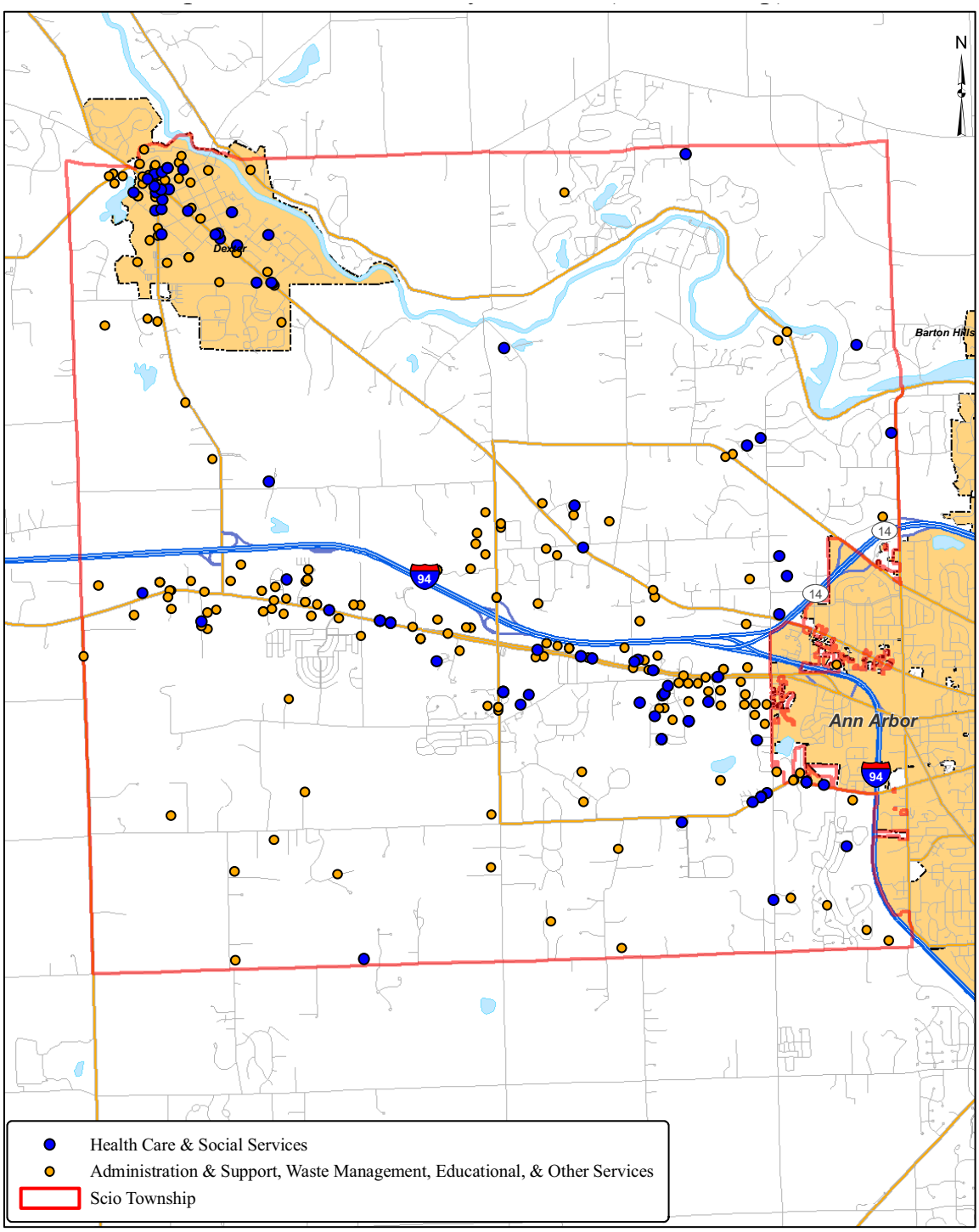
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007

Exhibit C-5. Business Cluster Analysis - Professional, Information, and Retail Industries - Scio Township



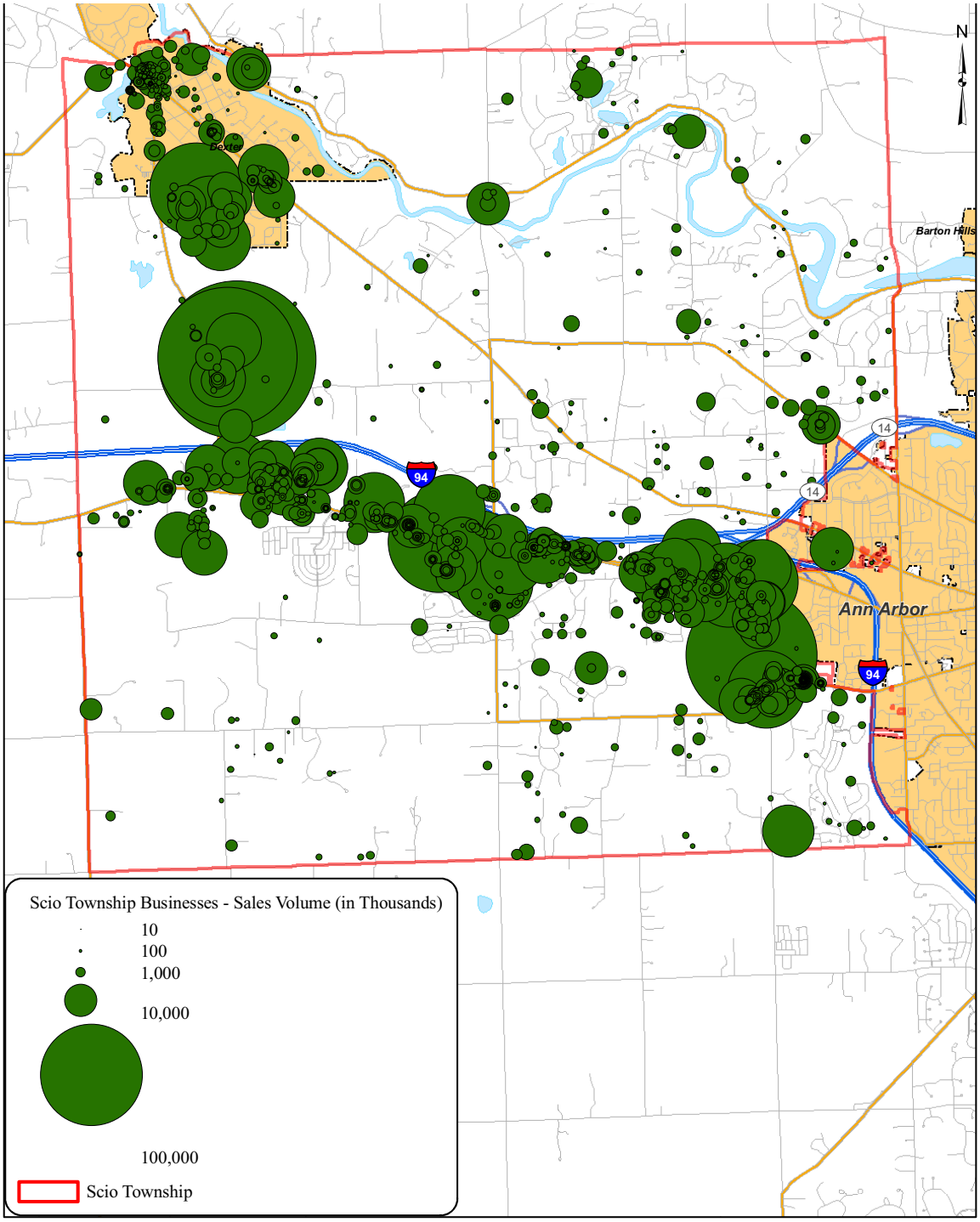
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007

Exhibit C-6. Business Cluster Analysis - Health Care and Administrative Support - Scio Township



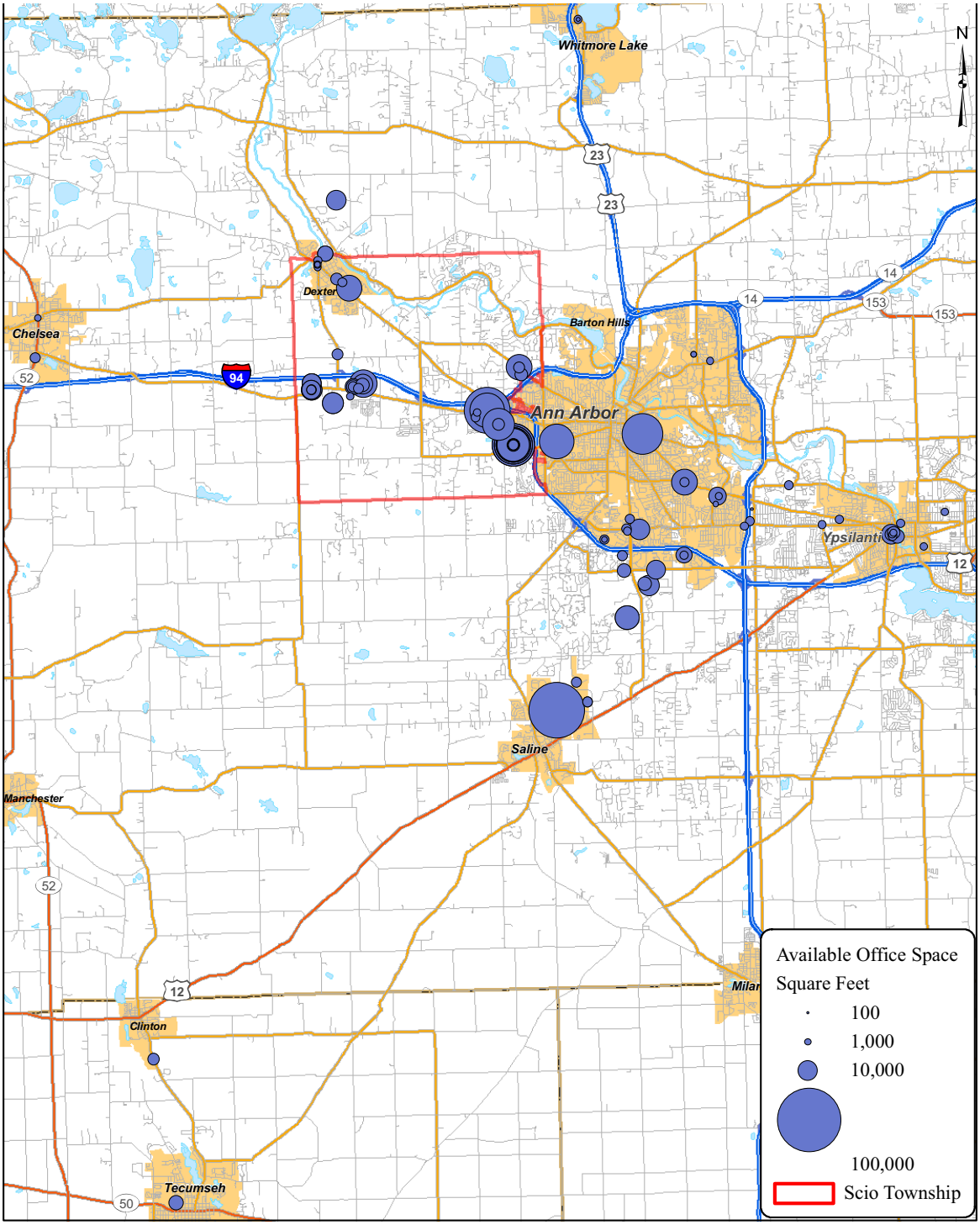
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007

Exhibit C-7. Businesses by Revenue - Scio Township - 2008



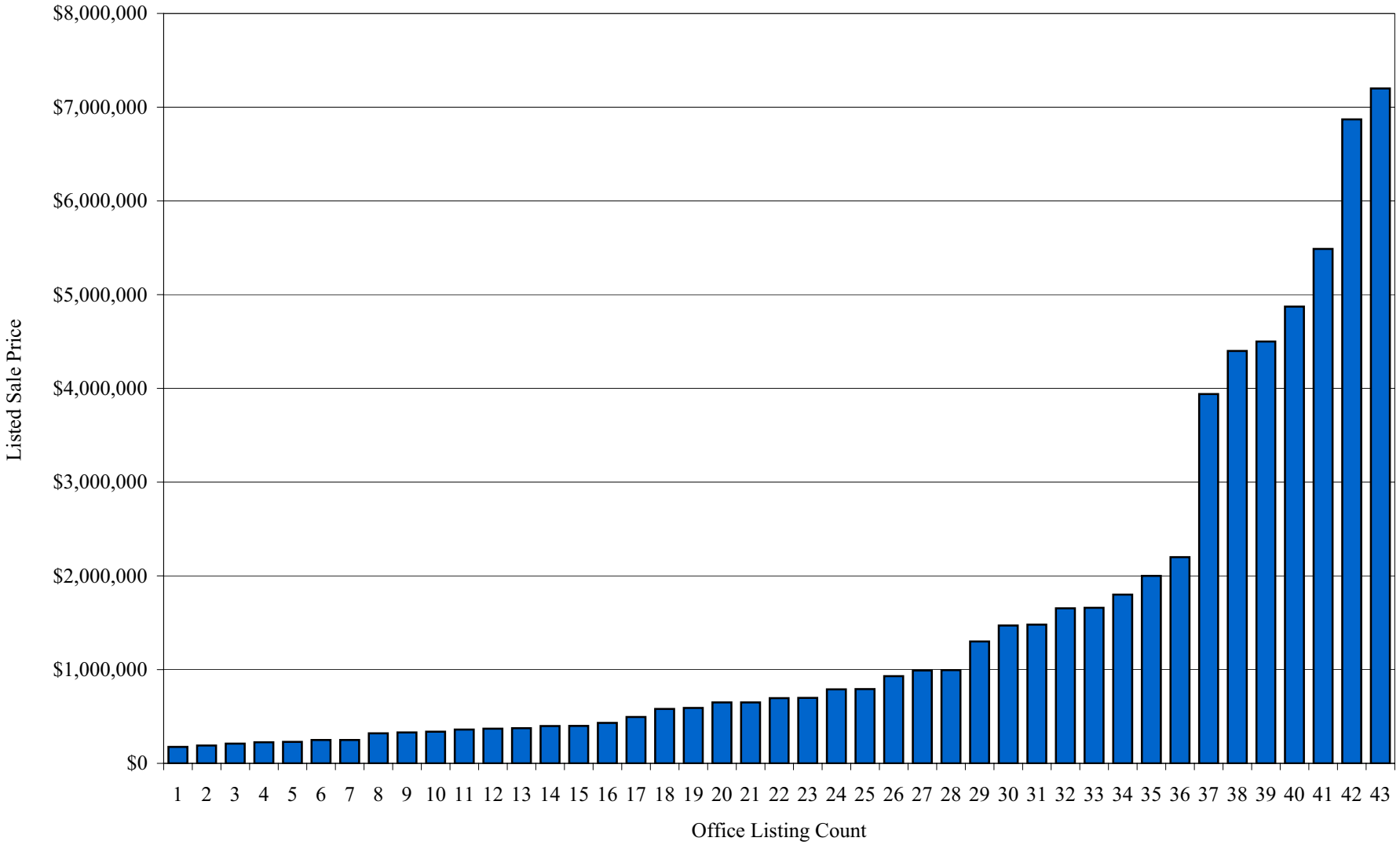
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007

Exhibit C-8. Listed Available Office Space - Ann Arbor Market - 2008



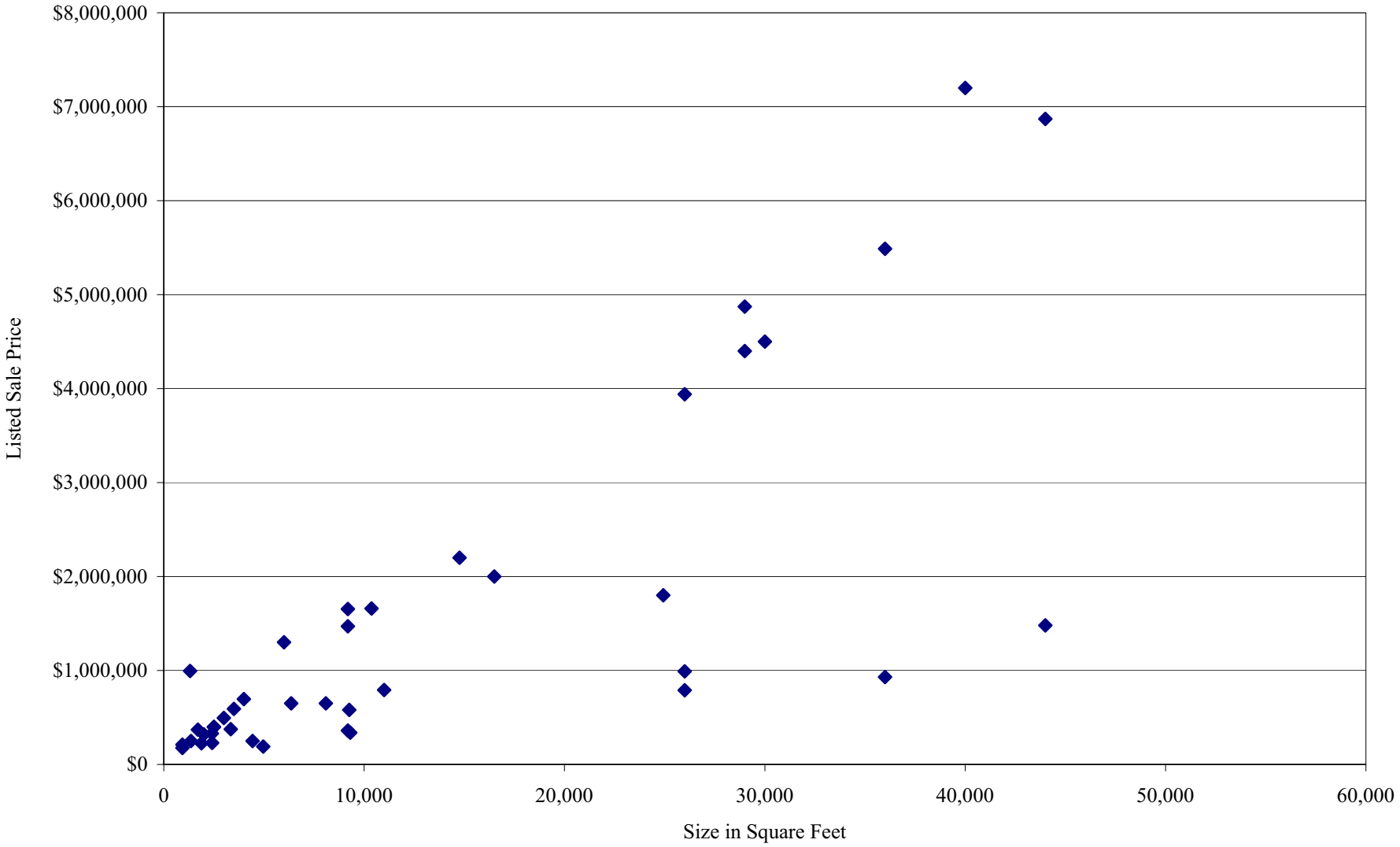
Source: Anderson Economic Group, LLC 2008.
Base data provided by ESRI, Inc. 2007

Exhibit C-9. Ann Arbor Area Office Space - Sale Price - 2008



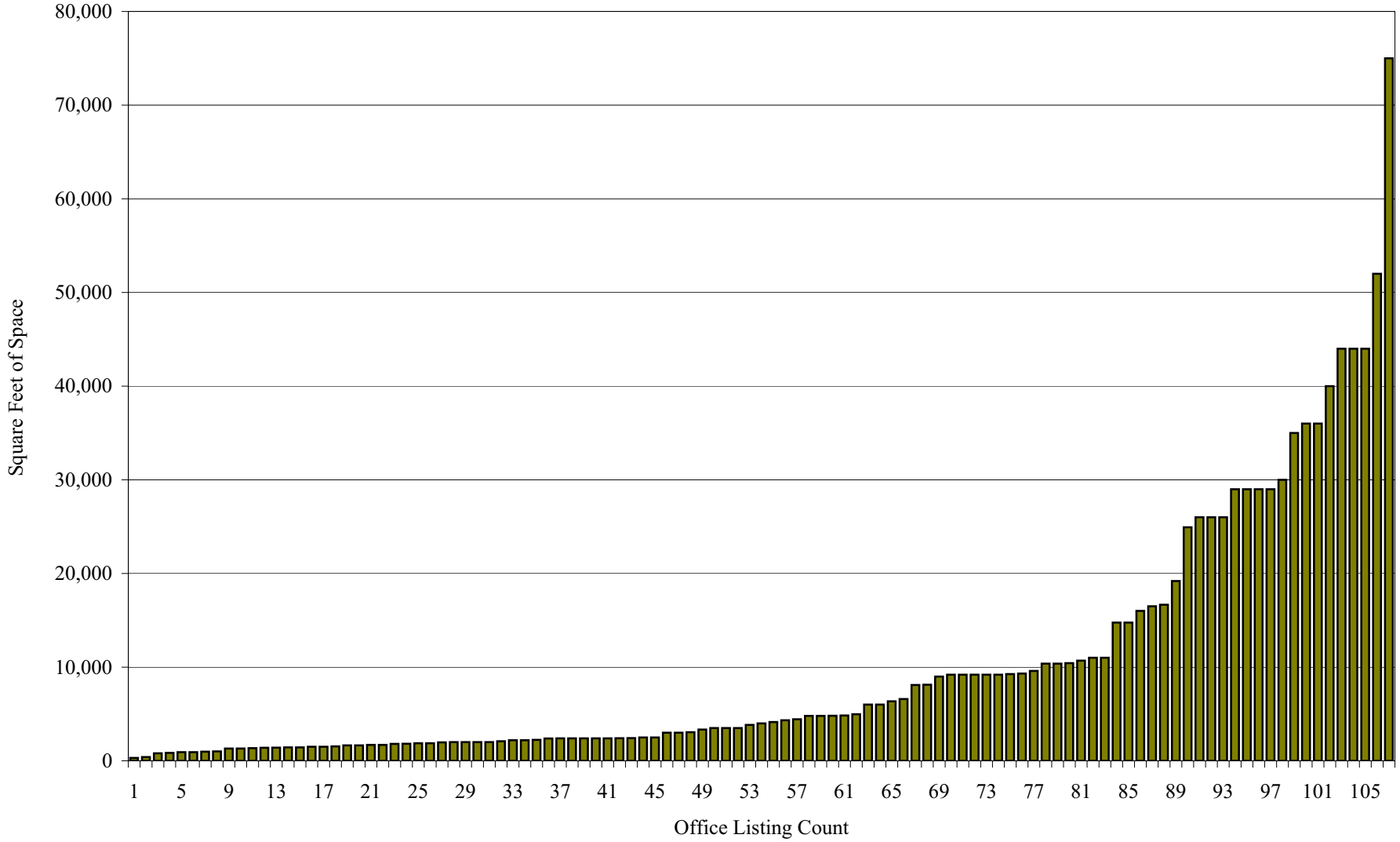
Source: Analysis by Anderson Economic Group, LLC 2008. Data provided by Swisher Commercial, www.swishercommercial.com, 2008.

Exhibit C-10. Ann Arbor Area Office Space - Sale Price by Size - 2008



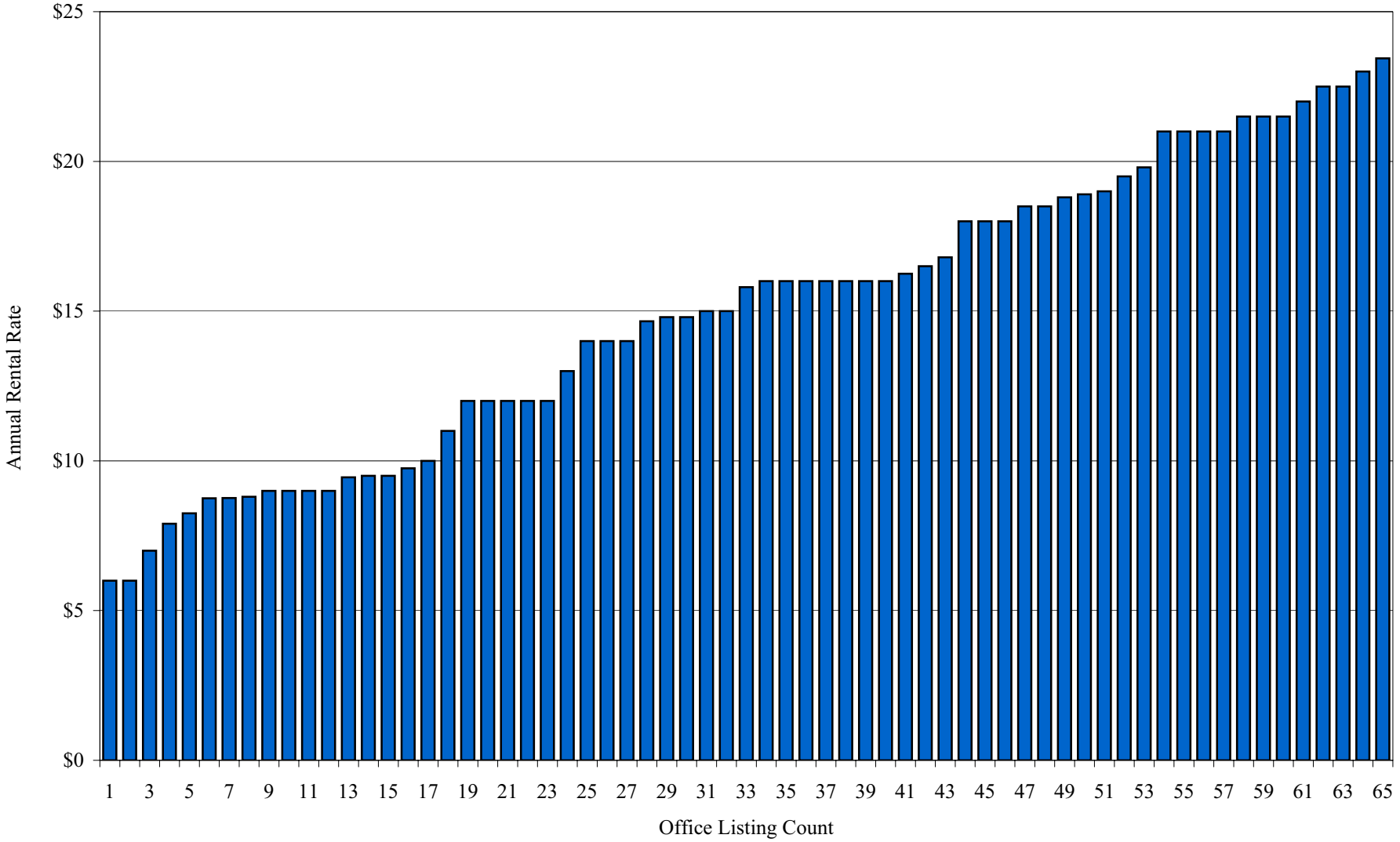
Source: Analysis by Anderson Economic Group, LLC 2008. Data provided by Swisher Commercial, www.swishercommercial.com, 2008.

Exhibit C-11. Ann Arbor Area Office Space - Size in Square Feet - 2008



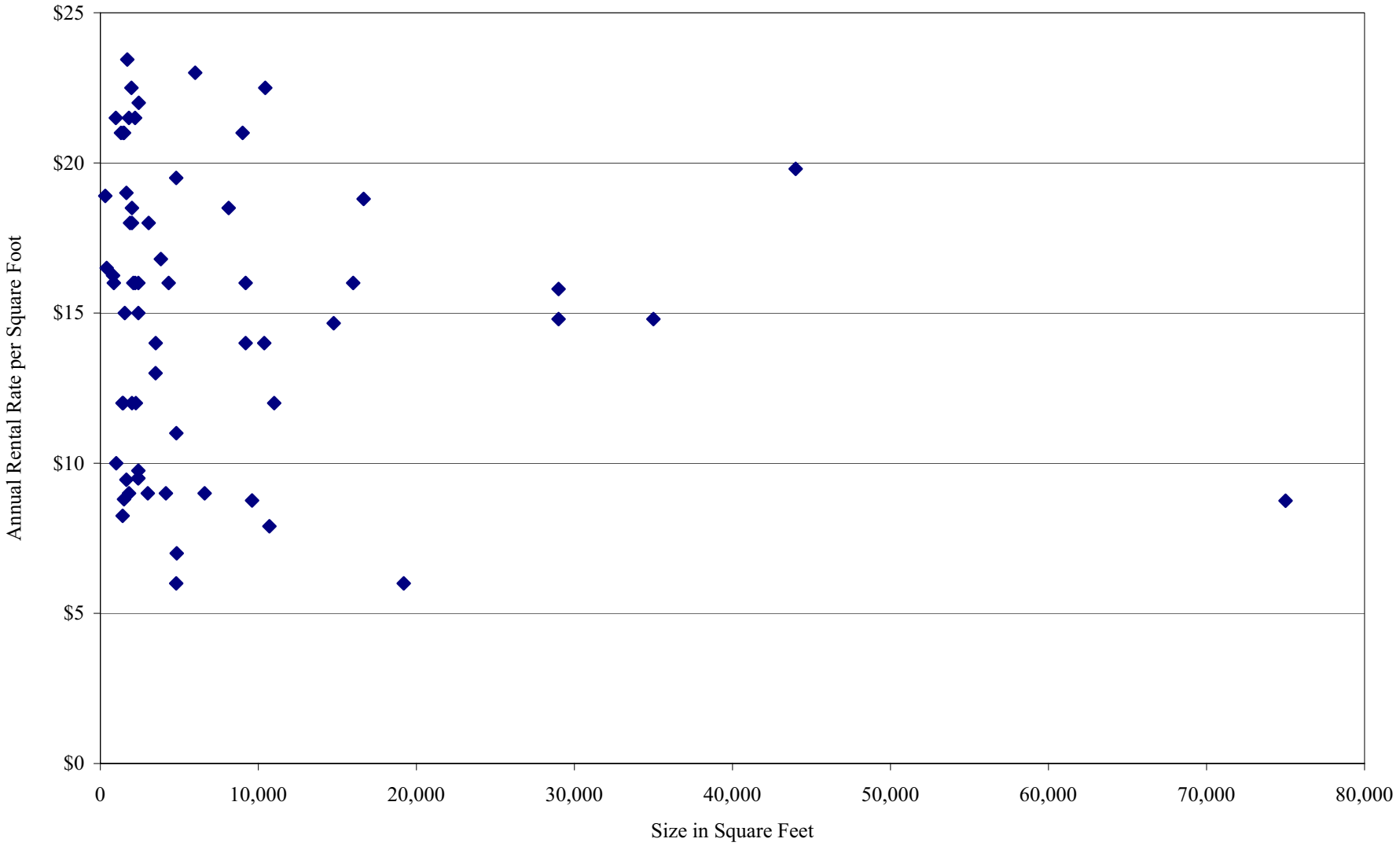
Source: Analysis by Anderson Economic Group, LLC 2008. Data provided by Swisher Commercial, www.swishercommercial.com, 2008.

Exhibit C-12. Ann Arbor Area Office Space - Annual Rent per Square Foot - 2008



Source: Analysis by Anderson Economic Group, LLC 2008. Data provided by Swisher Commercial, www.swishercommercial.com, 2008.

Exhibit C-13. Ann Arbor Area Office Space - Annual Rental Rate by Size - 2008



Source: Analysis by Anderson Economic Group, LLC 2008. Data provided by Swisher Commercial, www.swishercommercial.com, 2008.

Exhibit C-14. Housing Unit Growth and Tenure - Scio Township, Trade Areas, Washtenaw County, and State

	Scio Township	City of Ann Arbor	Primary Trade Area	Effective Trade Area	Washtenaw County	State of Michigan
HOUSING UNIT GROWTH AND TENURE						
1990 Total Housing Units	4,150	44,346	22,397	203,220	111,256	3,847,926
2000 Total Housing Units	6,356	47,193	27,582	252,712	131,069	4,234,279
2007 Total Housing Units	7,857	50,456	31,454	287,213	147,581	4,551,781
2012 Total Housing Units	8,722	52,970	33,907	305,024	158,339	4,743,638
CAGR 1990-2000	4.4%	0.6%	2.1%	2.2%	1.7%	1.0%
CAGR 2000-2007	3.1%	1.0%	1.9%	1.8%	1.7%	1.0%
CAGR 2007-2012	2.1%	1.0%	1.5%	1.2%	1.4%	0.8%
1990 Owner Occupied HUs	3,477	18,302	15,552	125,630	57,787	2,427,643
2000 Owner Occupied HUs	4,824	20,761	19,447	168,929	74,830	2,793,124
2007 Owner Occupied HUs	5,725	21,890	21,899	192,323	84,839	2,977,950
2012 Owner Occupied HUs	6,169	22,431	23,165	201,879	89,998	3,062,161
1990 Percent Owner Occ.	83.8%	41.3%	69.4%	61.8%	51.9%	63.1%
2000 Percent Owner Occ.	75.9%	44.0%	70.5%	66.8%	57.1%	66.0%
2007 Percent Owner Occ.	72.9%	43.4%	69.6%	67.0%	57.5%	65.4%
2012 Percent Owner Occ.	70.7%	42.3%	68.3%	66.2%	56.8%	64.6%
1990 Renter Occupied HUs	521	23,673	5,468	65,705	46,741	991,688
2000 Renter Occupied HUs	1,265	24,907	6,826	72,320	50,497	992,537
2007 Renter Occupied HUs	1,688	26,457	7,671	77,319	54,512	1,012,857
2012 Renter Occupied HUs	1,976	27,928	8,387	81,436	58,003	1,045,615
1990 Percent Renter Occ.	12.6%	53.4%	24.4%	32.3%	42.0%	25.8%
2000 Percent Renter Occ.	19.9%	52.8%	24.7%	28.6%	38.5%	23.4%
2007 Percent Renter Occ.	21.5%	52.4%	24.4%	26.9%	36.9%	22.3%
2012 Percent Renter Occ.	22.7%	52.7%	24.7%	26.7%	36.6%	22.0%
1990 Vacant Hus	153	2,367	1,365	11,885	6,728	428,595
2000 Vacant HUs	269	1,518	1,291	11,463	5,742	448,618
2007 Vacant HUs	445	2,101	1,864	17,571	8,230	560,974
2012 Vacant HUs	578	2,603	2,333	21,709	10,338	635,862
1990 Vacancy Rate	3.7%	5.3%	6.1%	5.8%	6.0%	11.1%
2000 Vacancy Rate	4.2%	3.2%	4.7%	4.5%	4.4%	10.6%
2007 Vacancy Rate	5.7%	4.2%	5.9%	6.1%	5.6%	12.3%
2012 Vacancy Rate	6.6%	4.9%	6.9%	7.1%	6.5%	13.4%
2000 Avg. HH Size: Renter Occ	2.2	2.1	1.9	2.0	2.1	2.2
2000 Avg. HH Size: Owner Occ	2.7	2.4	2.6	2.7	2.7	2.7

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit C-15. Owner Occupied Home Values - Scio Township, Trade Areas, Washtenaw County, and State

	Scio Township	City of Ann Arbor	Primary Trade Area	Effective Trade Area	Washtenaw County	State of Michigan
OWNER OCCUPIED HOME VALUES						
2000 Median Home Value	$233,526	$178,567	$190,980	$182,220	$170,082	$110,257
2007 Median Home Value	$334,159	$244,079	$268,985	$236,300	$235,557	$145,372
2012 Median Home Value	$371,920	$265,797	$293,113	$259,893	$255,788	$159,262
CAGR 2000-2007 (%)	5.3%	4.6%	5.0%	3.8%	4.8%	4.0%
CAGR 2007-2012 (%)	2.2%	1.7%	1.7%	1.9%	1.7%	1.8%
2000 Average Home Value	$252,651	$212,516	$221,459	$209,452	$201,293	$137,227
2007 Average Home Value	$358,864	$295,033	$314,107	$274,302	$283,857	$181,437
2012 Average Home Value	$395,997	$322,120	$345,554	$304,347	$312,676	$201,305
CAGR 2000-2007 (%)	5.1%	4.8%	5.1%	3.9%	5.0%	4.1%
CAGR 2007-2012 (%)	2.0%	1.8%	1.9%	2.1%	2.0%	2.1%
2007 OOHUs/Value $49,999 and Below (#)	461	175	610	10,472	3,483	278,085
2007 OOHUs/Value $50,000 - $99,999 (#)	328	726	843	10,827	5,396	544,589
2007 OOHUs/Value $100,000 - $149,999 (#)	215	1,968	1,296	20,677	9,817	728,648
2007 OOHUs/Value $150,000 - $199,999 (#)	396	3,418	2,688	29,264	12,227	531,460
2007 OOHUs/Value $200,000 - $249,999 (#)	557	5,269	4,412	34,291	16,132	342,717
2007 OOHUs/Value $250,000 - $299,999 (#)	519	3,067	2,901	23,147	9,888	179,218
2007 OOHUs/Value $300,000 - $399,999 (#)	1,130	3,492	4,176	32,175	13,041	199,083
2007 OOHUs/Value $400,000 - $499,999 (#)	963	1,660	2,438	15,105	6,661	78,010
2007 OOHUs/Value $500,000 - $749,999 (#)	824	1,349	1,831	11,181	5,466	58,353
2007 OOHUs/Value $750,000 and Above (#)	331	740	706	5,132	2,679	37,611
2007 OOHUs/Value $49,999 and Below (%)	8.1%	0.8%	2.8%	5.4%	4.1%	9.3%
2007 OOHUs/Value $50,000 - $99,999 (%)	5.7%	3.3%	3.8%	5.6%	6.4%	18.3%
2007 OOHUs/Value $100,000 - $149,999 (%)	3.8%	9.0%	5.9%	10.8%	11.6%	24.5%
2007 OOHUs/Value $150,000 - $199,999 (%)	6.9%	15.6%	12.3%	15.2%	14.4%	17.8%
2007 OOHUs/Value $200,000 - $249,999 (%)	9.7%	24.1%	20.1%	17.8%	19.0%	11.5%
2007 OOHUs/Value $250,000 - $299,999 (%)	9.1%	14.0%	13.2%	12.0%	11.7%	6.0%
2007 OOHUs/Value $300,000 - $399,999 (%)	19.7%	16.0%	19.1%	16.7%	15.4%	6.7%
2007 OOHUs/Value $400,000 - $499,999 (%)	16.8%	7.6%	11.1%	7.9%	7.9%	2.6%
2007 OOHUs/Value $500,000 - $749,999 (%)	14.4%	6.2%	8.4%	5.8%	6.4%	2.0%
2007 OOHUs/Value $750,000 and Above (%)	5.8%	3.4%	3.2%	2.7%	3.2%	1.3%

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Exhibit C-16. Housing by Year Built - Scio Township, Trade Areas, Washtenaw County, and State

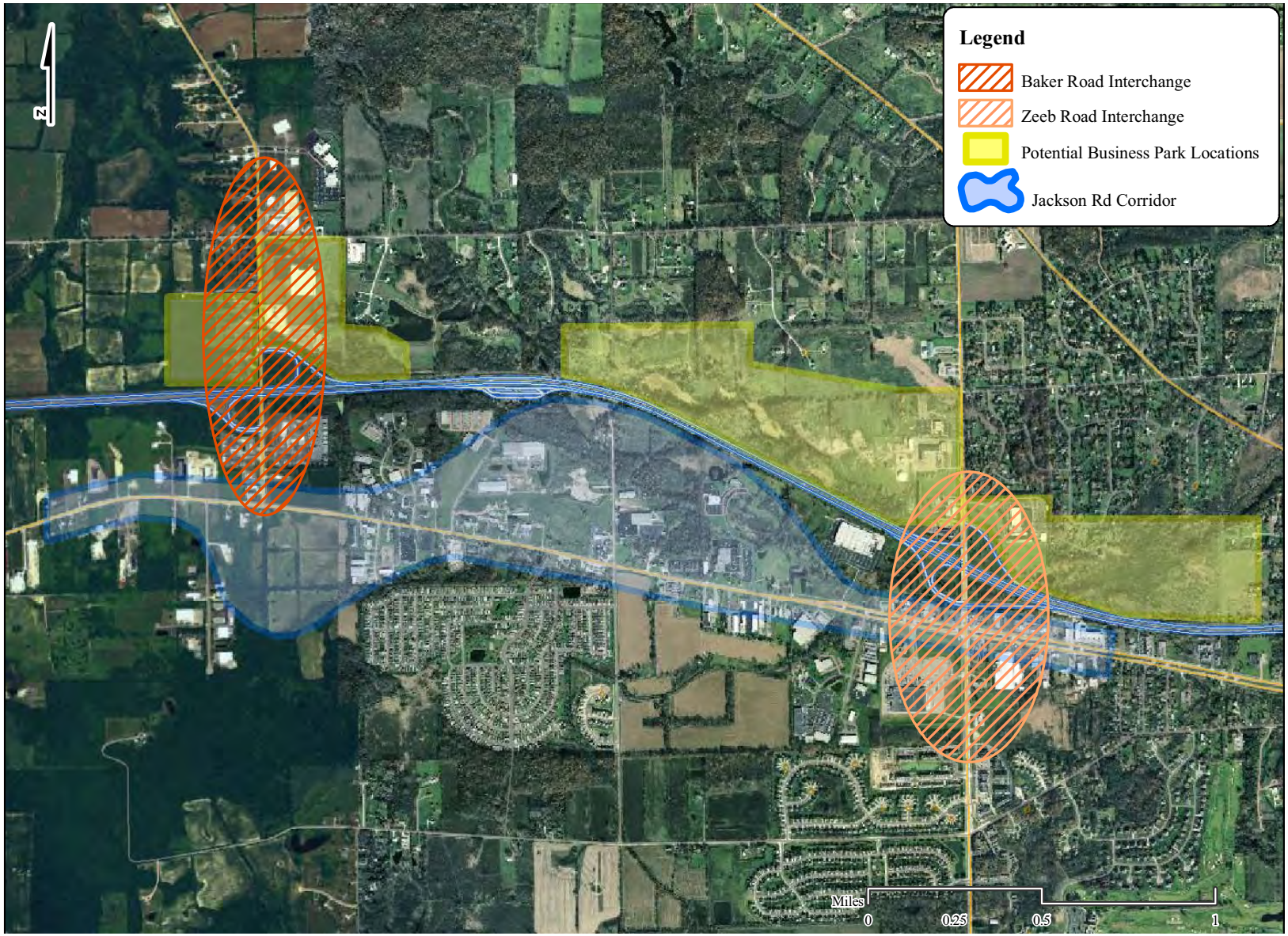
	Scio Township	City of Ann Arbor	Primary Trade Area	Effective Trade Area	Washtenaw County
YEAR STRUCTURE BUILT					
2000 HUs by Yr Built Base	6,315	47,195	27,567	252,762	131,069
2007 HUs by Yr Built Base	7,857	50,456	31,454	287,213	147,581
2007 Hus/Yr Blt: 3/2000-2007	1,542	3,261	3,887	34,451	16,512
2007 HUs/Yr Blt: 1999-3/2000	544	408	1,073	9,143	4,169
2007 HUs/Yr Blt: 1995-1998	1,180	1,588	2,854	27,384	11,272
2007 HUs/Yr Blt: 1990-1994	745	2,344	2,175	24,227	9,783
2007 HUs/Yr Blt: 1980-1989	1,466	4,863	3,239	37,862	15,992
2007 HUs/Yr Blt: 1970-1979	581	9,316	3,809	60,637	26,560
2007 HUs/Yr Blt: 1960-1969	507	10,852	3,594	33,477	22,156
2007 HUs/Yr Blt: 1950-1959	412	6,756	3,743	24,879	15,899
2007 HUs/Yr Blt: 1940-1949	264	3,053	1,527	10,957	7,396
2007 HUs/Yr Blt: 1939/Before	615	8,016	5,554	24,196	17,842
2007 Median Yr Built: HUs	1985	1965	1968	1975	1971
2007 HUs by Yr Built Base (%)	100.0%	100.0%	100.0%	100.0%	100.0%
2007 Hus/Yr Blt: 3/2000-2007 (%)	19.6%	6.5%	12.4%	12.0%	11.2%
2007 HUs/Yr Blt: 1999-3/2000 (%)	6.9%	0.8%	3.4%	3.2%	2.8%
2007 HUs/Yr Blt: 1995-1998 (%)	15.0%	3.1%	9.1%	9.5%	7.6%
2007 HUs/Yr Blt: 1990-1994 (%)	9.5%	4.6%	6.9%	8.4%	6.6%
2007 HUs/Yr Blt: 1980-1989 (%)	18.7%	9.6%	10.3%	13.2%	10.8%
2007 HUs/Yr Blt: 1970-1979 (%)	7.4%	18.5%	12.1%	21.1%	18.0%
2007 HUs/Yr Blt: 1960-1969 (%)	6.5%	21.5%	11.4%	11.7%	15.0%
2007 HUs/Yr Blt: 1950-1959 (%)	5.2%	13.4%	11.9%	8.7%	10.8%
2007 HUs/Yr Blt: 1940-1949 (%)	3.4%	6.1%	4.9%	3.8%	5.0%
2007 HUs/Yr Blt: 1939/Before (%)	7.8%	15.9%	17.7%	8.4%	12.1%
Housing Units Built Since 1990 (%)	51.1%	15.1%	31.8%	33.1%	28.3%

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007

Appendix D: Economic Development Strategy

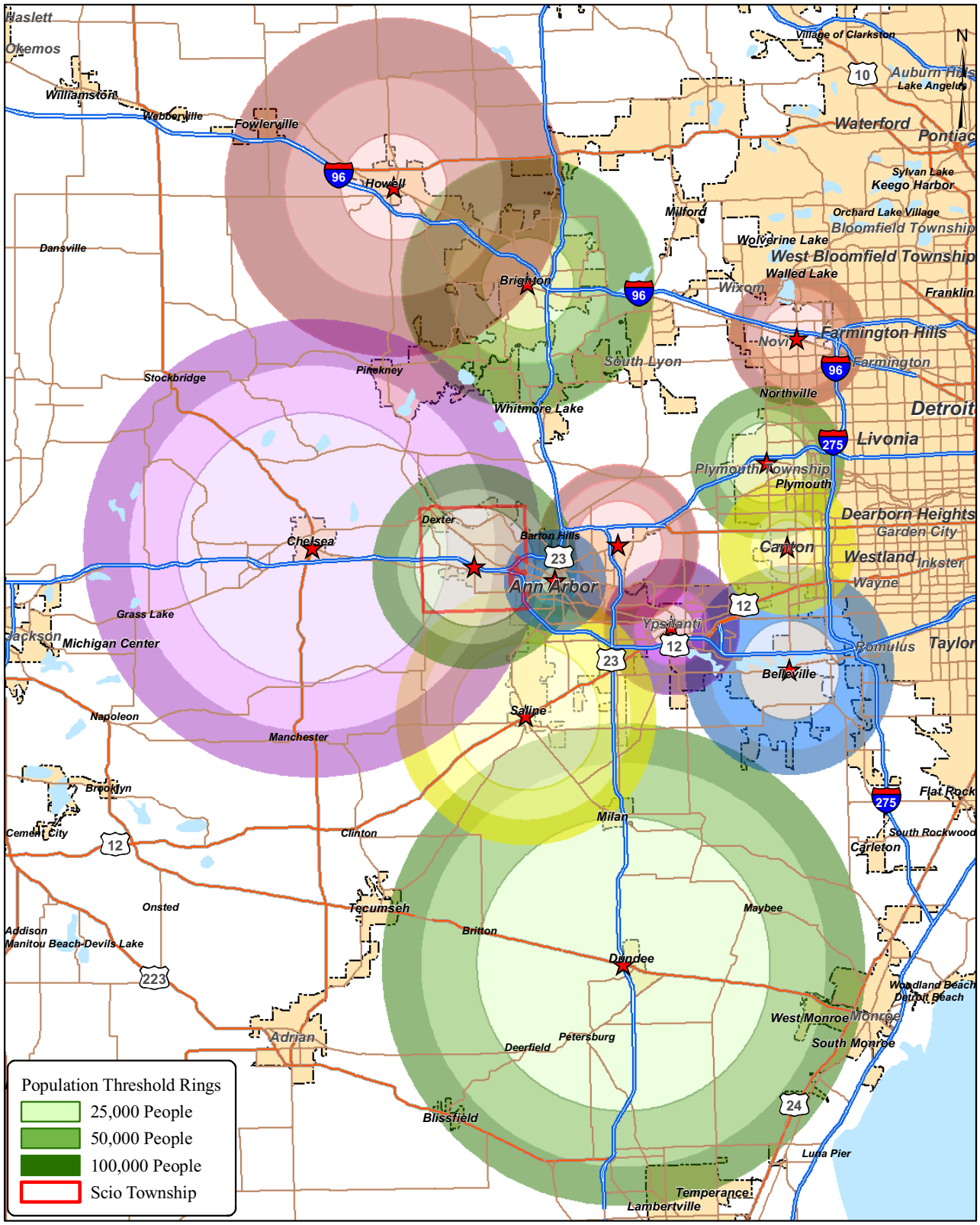
Exhibits in this section include:

Exhibit D-1. Development Strategy Map



Source: Anderson Economic Group, LLC 2008.

Exhibit D-2. Population Threshold Ring Map



Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI, Inc. 2007.

Appendix E: About Anderson Economic Group

Anderson Economic Group, LLC (AEG) specializes in providing consulting services in land use economics, market research, finance, and public policy. Our approach to work in these fields is based on our core principles of professionalism, integrity, and expertise. The authors of this report are Cameron L. Van Wyngarden, Jeffrey J. Smith, and Lauren E. Hathaway. This report was completed under the direction of Sharon M. Vokes, Principal.

AUTHORS

Cameron Van Wyngarden. Mr. Van Wyngarden is a Consultant at Anderson Economic Group, managing the Market Research and Analysis practice area. His specialties include conducting market feasibility studies for real estate ventures and community development projects, economic assessments, and developing long-term growth strategies.

His most recent projects include developing downtown revitalization strategies for the Michigan cities of Adrian, Escanaba, Swartz Creek, and St. Clair, as well as residential and retail feasibility studies for private developers nationwide. In addition, Mr. Van Wyngarden has created specialized GIS mapping packages for clients in the telecommunications and finance industries.

Prior to joining Anderson Economic Group, Mr. Van Wyngarden worked as a Planning Research Analyst for the County of Ottawa, Michigan. While with Ottawa County, he performed statistical analyses, conducted program reviews, and created a series of County Data Books containing detailed demographic data about Ottawa County. Mr. Van Wyngarden has also served as a legislative aide in the Michigan House of Representatives.

Mr. Van Wyngarden holds a Bachelor of Arts in Political Science and Business Communications from Calvin College in Grand Rapids, Michigan. He has his Masters in Public Administration from Western Michigan University, and is a member of the Michigan Association of Planning (MAP).

Jeffrey J. Smith. Mr. Smith is a Senior Analyst at Anderson Economic Group, specializing in Urban Planning and Economic Development. His most recent projects include developing Market Strategies for development in the cities of Madison, Wisconsin, Biloxi, Mississippi, and the Detroit Metro region in Michigan.

Prior to joining Anderson Economic Group, Mr. Smith served as a Network Engineer and a Market Analyst for Comcast. His team created an online-searchable database to pinpoint subscribers in national Congressional Districts. His duties included project management, statistical analysis, network design, and data mapping.

Mr. Smith holds a Bachelor of Arts in telecommunications and a Master's degree in urban and regional planning from Michigan State University. He is a member of the

Community Economic Development Association of Michigan (CEDAM), the Congress for New Urbanism (CNU), and the American Planning Association (APA).

Lauren E. Hathaway. Ms. Hathaway is a Market Analyst with Anderson Economic Group working in the Land Use Economics Practice Area. She specializes in Urban Planning, GIS and Land Use Strategies for residential, retail, and commercial development projects. Her most recent projects include developing Market Strategies for the villages of Downers Grove and Orland Park, Illinois, and for development groups in Salt Lake City, Utah; Overland Park, Kansas; and Kalamazoo, Michigan.

Before joining Anderson Economic Group, Lauren served as an intern in Constituent Relations for former Senator Shirley Johnson. Her duties there included managing frontline communication for Senator Johnson with constituents, helping compose reports for proposed legislation, and preparing speeches. Prior to that, she worked with the City of Williamston under the Director of Planning and Development.

Ms. Hathaway graduated from the College of Social Science at Michigan State University with a Bachelor's degree in Urban and Regional Planning and plans on pursuing a Master's degree in the nearby future. Lauren is also a member of the American Planning Association (APA) and the National Association of Business Economics (NABE).

PROJECT MANAGER

Sharon M. Vokes. Ms. Vokes works with Anderson Economic Group in the firm's Land Use Economics practice. She has 18 years of professional experience in the fields of retail and real estate development research, and has proven expertise in conducting market strategies, feasibility studies, and supply/demand analyses.

At Anderson Economic Group, Ms. Vokes specializes in developing strategies for prospective real estate development projects in urban settings, emerging suburban communities, and historic Main Street districts. She has assisted private and public sector clients throughout the continental United States, Canada, and the Caribbean.

Ms. Vokes has also served in several management and senior analytical positions for major retailers, including Federated Department Stores, Kmart, and Target Corporation. She holds a Masters Degree in geography from Miami University of Ohio, and is a member of the American Planning Association (APA), Congress for New Urbanism (CNU), and the International Council of Shopping Centers (ICSC).