

# Tracking Economic Health in Scio Township

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Scio Township, MI – August 2012

## PART I: INTRODUCTION

### INTRODUCTION

Subsequent to an economic development study conducted in 2008, the Economic Development Advisory Committee (EDAC) of Scio Township retained Carlisle/Wortman Associates, Inc. to create a framework for understanding and benchmarking economic growth. Through a collaborative process, Carlisle/Wortman Associates determined that the identification of high-level economic metrics and specific indicators is the most effective way to understand the current business climate in Scio. Each metric captures a segment of the economic health of the community, which in totality can aid in the creation of policy, initiatives, or marketing strategies to attract business and facilitate economic development. The list below highlights the over-arching metrics:

1. Business growth patterns gauge the overall health and growth patterns of the business community.
2. Population characteristics track population trends to help explain changes in population, labor force, and the current and future residential market.
3. Employment trends monitor changes in the labor force, and help formulate policies to strengthen the health of the labor force and evaluate the effectiveness of its policies.
4. Retail assessments highlight consumer-spending patterns in the Township by tracking changes in resident and non-resident spending habits, which identifies retail segments that are strong, weak, or have potential for growth.

The metrics and respective indicators are based on their effectiveness in capturing economic growth and/or decline, degree of usage, and ease of collection based on national best practices in evaluating regional and local economic development policies. The first data generation process presented in this report will serve as a baseline for future analysis. The report presents an overview of the findings and corresponding graphics. A complete list of the data sources are detailed in the appendix and corresponding attachments, which provides their relevance, source, and method for obtaining the data.

Data was collected from a variety of sources including the U.S. Census Bureau and American Community Survey (ACS), the Scio Township Assessor's Office, Scio Township L-4022 and F-65 Forms, and 2-Digit SIC Code reports provided by Claritas. Data provided by Claritas includes Dexter Village, while all other sources do not. In the interest of remaining consistent for future dashboards, it is recommended that only Township or Census Bureau Data (including ACS) are used.

### SUMMARY OF KEY FINDINGS

The four economic metrics listed above serve as broad categories. Therefore, several indicators comprise the entire metric, and of the various indicators, some are more telling with respect to gauging economic progress. The list below highlights the findings of the most representative and telling indicators.

#### Businesses by Industry

A large number of Scio businesses are classified as (1) other services, (2) manufacturing, (3) retail trade, and (4) finance and insurance, and real estate/rental leasing. Together, these businesses comprise a majority of all businesses in Scio and continue to experience the most growth in the Township between 2010 and 2011. (1) Professional, scientific, and technical services and (2) retail trade also saw considerable growth. Meanwhile, (1) information and (2) educational services, health care, and social assistance saw a slight decline. With many residents in the Township employed in these two fields, decline may push residents who may work in these industries in Scio to nearby communities where these industries are strong and growing. However, since neighboring communities such as Ann Arbor, are particularly highly concentrated with these industries, Scio should also continue efforts to retain the vital industries that make up a majority of its businesses.

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## Occupation by Industry

A large portion of Scio Township residents are employed in (1) educational services, health care, and social services (2) professional, scientific, and management services, and (3) manufacturing. This might be attributed to the Township's proximity to the University of Michigan and the high level of education attainment throughout the Township. This is an important indicator as it highlights specific industries that might benefit from the local population's labor force for industries that are seeking to move to Scio.

## Outflow of Workers

Approximately 46% of Scio residents work in Ann Arbor, while only 8% of Scio residents work in Scio Township. This indicates that Ann Arbor is a major economic driver for Scio and lures much of the Township's educated residents to businesses within its boundaries. Scio Township may be able to retain more residents to work in Scio by promoting the growth of professional industries in which its residents are employed in. This includes industries related to (1) educational services, health care, and social assistance, (2) professional, scientific, and management services, (3) finance and insurance, real estate and rental and leasing, and (4) information.

## Retail Gap Analysis

In 2012, Scio's total retail demand is approximately \$390.7 million, while total retail supply is approximately \$688.6. The retail gap analysis indicates that Scio's total retail supply (retail sales) is greater than Scio's total demand (retail consumer expenditure). Essentially, the analysis indicates that retail consumption in Scio Township is comprised of majority consumers who do not reside within the Township. In some sense, Scio imports consumers. This is in part explained by the high concentration of automobile dealerships along Jackson Road.

## Total Assessed Value: Real and Personal Property

After a large initial decrease in Real and Personal Property values between 2009 and 2010, the fluctuations from year to year are becoming more stable, especially for commercial and industrial properties. Total Assessed Value for Personal Property decreased overall between 2009 and 2010 by \$5,858,500, despite the growth in specific industry clusters and overall businesses. However, such a decrease may largely be explained by depreciation. In the same vein, Real Property values decreased from 2011 to 2012, while Personal Property values increased by \$4,069,500. Monitoring the change in total Real and Personal Property values will be crucial to understanding and maintaining the tax base within Scio as the economy changes.

## Educational Attainment

Scio Township is comprised of a highly educated citizenry. The Township experienced an increase in residents who hold a graduate or professional degree from 30% of the population in 2000 to over 35% of the population in 2010. As a result, Scio Township's skilled workforce is a highly marketable asset, which may help attract prospective companies.

## CONCLUSION

The findings conclude that Scio Township is comprised of an abundance of existing Retail, Manufacturing, and Wholesale Trade businesses along with a highly educated workforce. Both factors represent an opportunity to establish policies, incentives, and marketing strategies to bolster and retain existing businesses while attracting professional-scientific-and management-related companies. Lastly, Scio Township's employment base is greater than its population. This indicates that Scio Township is not a bedroom community to the City of Ann Arbor. As a result, Scio Township is well positioned to increase economic development opportunities in various business sectors, along with creating a "Scio-based" community identity.

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## PART II: METRICS + INDICATORS

The following section presents descriptions, details the importance, provides data sources, and describes a methodology for obtaining each metric and respective indicators. In addition to the aforementioned table, the report also provides a visual representation for each indicator.

### BUSINESS CLIMATE

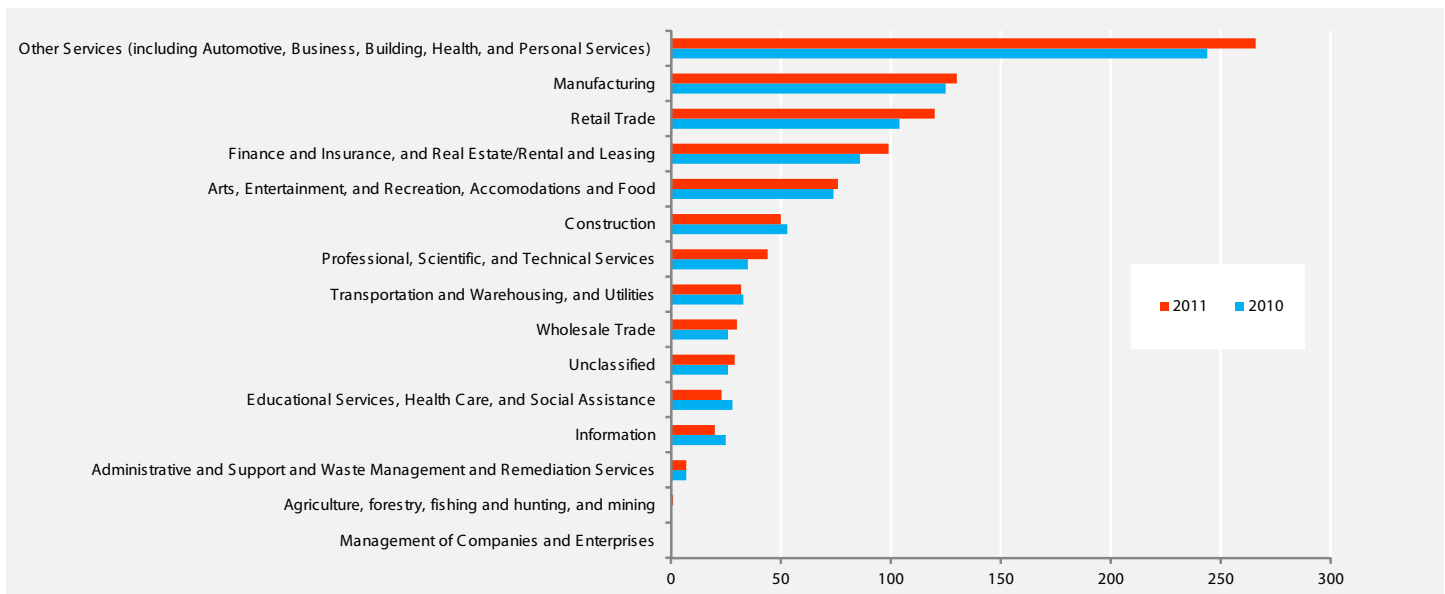
#### Total Number of Businesses

BUSINESS GROWTH			
	2010	2011	Change
Number of Businesses	866	927	61

The Total Number of Businesses from 2010 to 2011 increased slightly with an additional 61 businesses locating in the Township. This represents a 7% increase over the previous year.

Data Source: Scio Township Assessor's Office

#### Businesses by Industry



From 2010 to 2011, the Township experienced a growth in number of Businesses by Industry, but the industry proportions roughly stayed the same. Specifically, manufacturing, retail trade, finance/insurance/real estate/rental, and other services experienced the greatest growth.

Data Source: Scio Township Assessor's Office

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## BUSINESS CLIMATE

### Total Assessed Value

Assessed Value - Real Property		2009	2010	2011	2012
Total Real Property Value		\$1,423,763,200	\$1,295,205,800	\$1,264,014,500	\$1,244,119,200
Commercial		\$268,483,600	\$227,006,900	\$203,058,500	\$193,263,800
Industrial		\$154,190,300	\$128,155,900	\$116,401,000	\$110,078,500

Total Assessed Real Property Value decreased overall between 2008 through 2012.

Data Source: Scio Township Assessor's Office

### Building Activity

BUILDING ACTIVITY		
		2009
Total Number of Building Permits		348
Total Construction Value		\$16,513,810
Number of Commercial Construction Permits		276
Commercial Construction Value		\$13,048,572

In 2009, the majority of building permits were for commercial construction, with only 72 permits issued for residential projects. Despite the number of new commercial projects, the estimated construction value only totaled \$13,048,572.

Data Source: Scio Township F-65 Forms

## POPULATION CHARACTERISTICS

### Population Growth

POPULATION GROWTH				
	2000	2010	Change	% Change
Population	13,421	16,470	3,049	22.7%

Total Population increased by 3,049 residents from 2000 to 2010, which represents a growth of 22.7%.

Data Source: SEMCOG, U.S. Census Bureau

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## POPULATION CHARACTERISTICS

### Median Household Income

MEDIAN HOUSEHOLD INCOME				
	2000	2010	Change	% Change
Median Household Income	\$107,295	\$88,947	-\$18,348	-17.1%
Per Capita Income	\$50,313	\$46,389	-\$3,924	-7.8%

Both Median Household Income and Per Capita Income decreased from 2000 to 2010, which is a decrease of 17.1% and 7.8%, respectively. However, this decrease is to be expected given the recent national economic downturn. In 2010, the Median Household Income in Scio Township was still well above the State average of \$48,432.

Data Source: SEMCOG, American Community Survey (ACS)

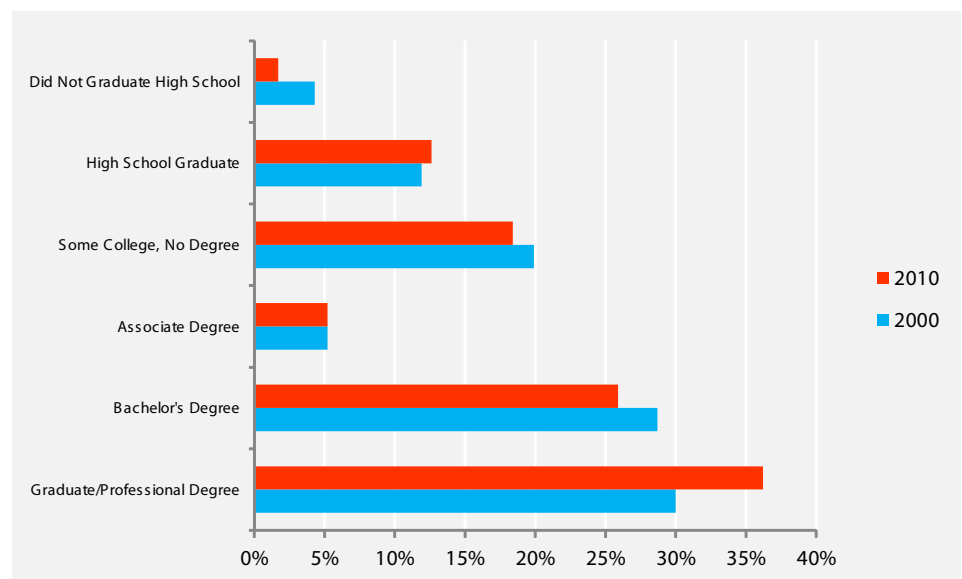
### Median Age

MEDIAN AGE			
	2000	2010	Change
Age	37.8	41.6	3.8

Median Age increased from 37.8 to 41.6 between 2000 to 2010. This is indicative of an aging population. This is also higher than the State average of 38.9.

Data Source: SEMCOG, US Census

### Educational Attainment



Residents with Bachelor's and Graduate degrees comprise the majority of the population. Furthermore, residents who attain a Bachelor's degree tend to pursue higher education as indicated by the growth in Professional and Graduate degrees and a slight decline in Bachelor's degrees from 2000 to 2010. This rate is significantly higher than the State of Michigan ( 9.6% Graduate degree, 15.5% Bachelor's degree)

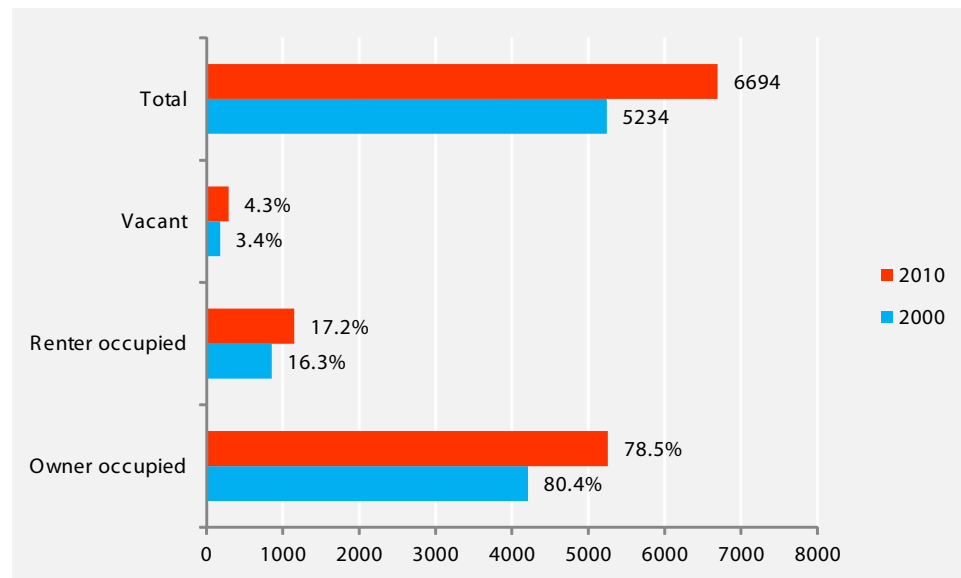
Data Source: SEMCOG

# Tracking Economic Health in Scio Township

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## POPULATION CHARACTERISTICS

### Residential Vacancy Rates



Scio Township is primarily comprised of owner-occupied housing. However, owner-occupied housing decreased from 2000 to 2010, while renter-occupied housing experienced a slight increase. Vacancy rates in Scio Township also experienced a slight increase. Despite this increase in vacancy rates, Scio remains stable. In 2010 the State of Michigan reported a vacancy rate of 14.6%, with 23.8% renter-occupied and 61.6% owner-occupied housing.

Data Source: SEMCOG, U.S. Census Bureau

### Median Housing Values

MEDIAN HOUSING VALUES				
	2000	2010	Change	% Change
Value	\$332,103	\$315,600	-\$16,503	-5.0%

Scio Township's Median Housing Values declined slightly over 2000 to 2010 by \$16,503, which represents a decrease of 5%. Though values have declined slightly, Scio remains well above the State median housing value of \$144,200 in 2010.

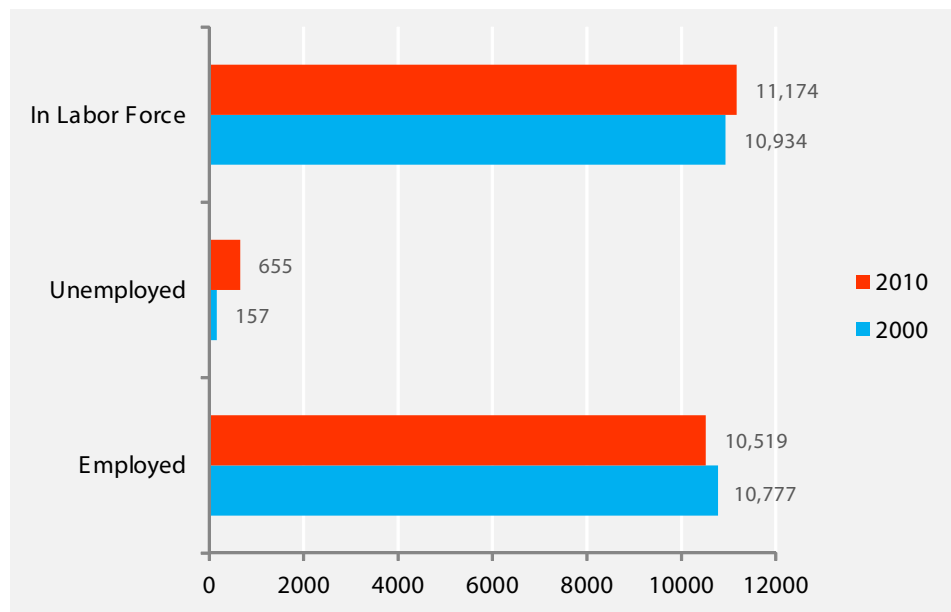
Data Source: SEMCOG, ACS

# Tracking Economic Health in Scio Township

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## EMPLOYMENT TRENDS

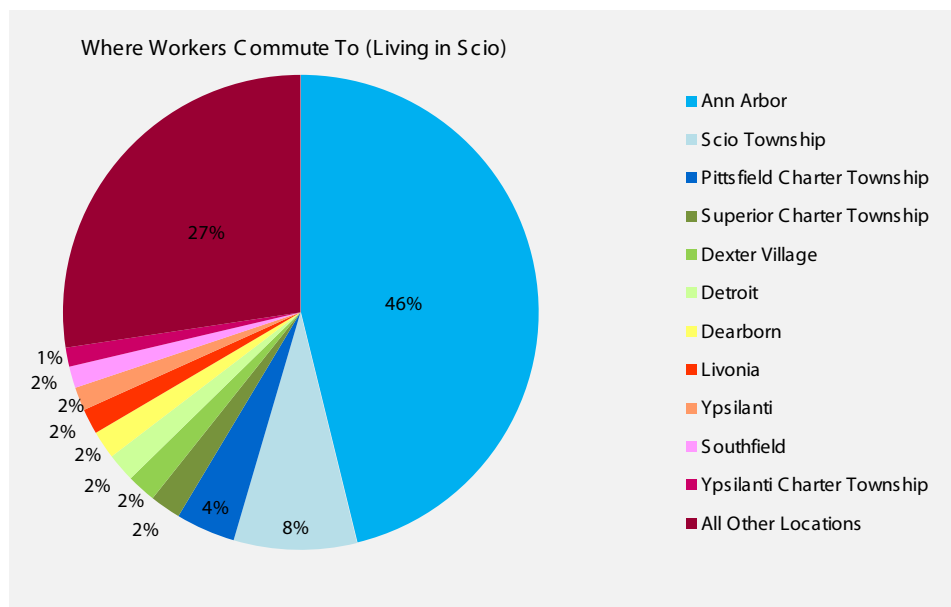
### Total Employment + Unemployment



The Labor Force explains the total working population who are actively employed or seeking employment. Scio Township experienced a slight increase in the total Labor Force, but also an increase in the percent of unemployed.

Data Source: SEMCOG + ACS Data 2006-2010

### Outflow of Workers



A large proportion of Scio Township's residents commute to Ann Arbor (46%) for work, followed by "Other" (27%) locations and Scio Township (8%).

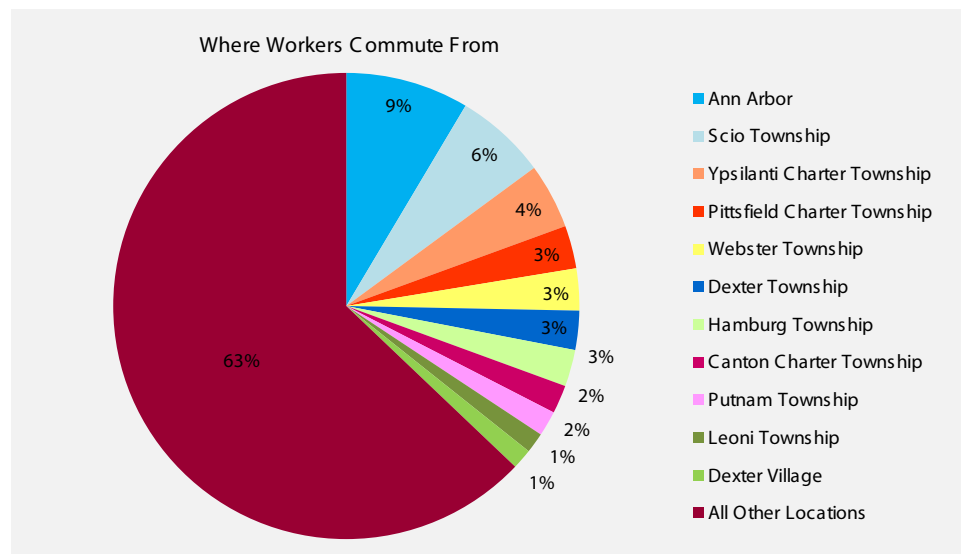
Data Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

# Tracking Economic Health in Scio Township

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## EMPLOYMENT TRENDS

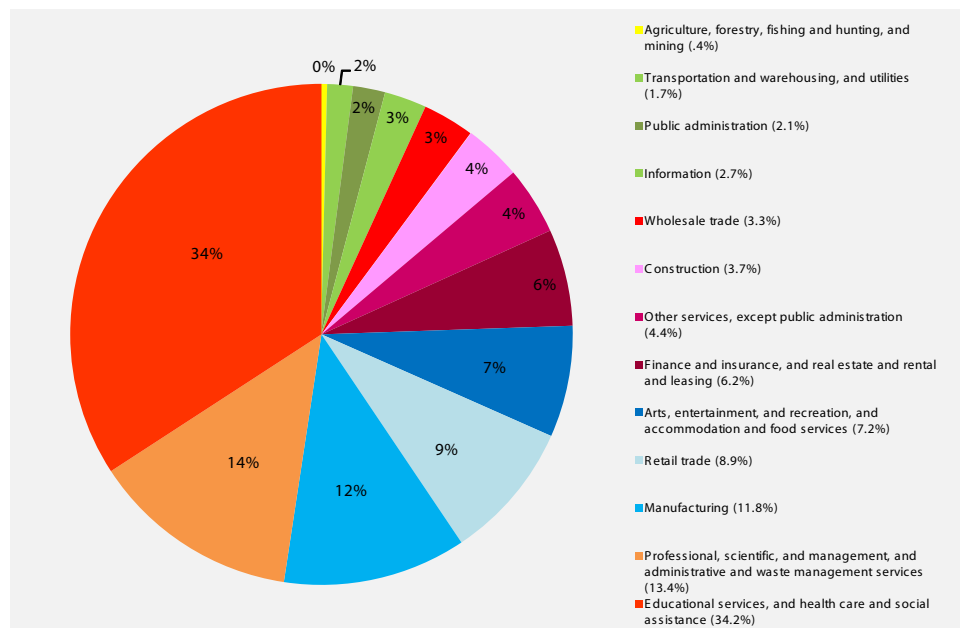
### Inflow of Workers



A large proportion of workers in Scio Township commute from outside of the region (63%) and from various near by townships. However, a smaller proportion of workers commute from Ann Arbor (9%), Scio Township (6%), and Ypsilanti Charter Township (4%).

Data Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

### Occupation by Industry



Educational services, health care, and social assistance comprises the largest industry of employment for residents in Scio Township.

Data Source: ACS Data 2006-2010



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## RETAIL ASSESMENT

Total Sales +  
Retail Opportunity Gap

### RETAIL OPPORTUNITY GAP

Type of Retail	2012 Consumer Expenditures	2012 Retail Sales	Total Opportunity Gap
Total for All Retail Including Eating and Drinking Places	\$390,690,699	\$688,598,485	-\$297,907,786
Motor Vehicle and Parts Dealers	\$69,858,476	\$310,589,434	-\$240,730,958
Food and Beverage Stores	\$46,844,669	\$104,097,611	-\$57,252,942
Electronics and Appliance Stores	\$9,096,522	\$40,978,686	-\$31,882,164
Building Materials, Garden Equipment	\$38,343,440	\$63,006,867	-\$24,663,427
Gasoline Stations	\$34,455,681	\$56,398,601	-\$21,942,920
Non-Store Retailers	\$30,105,376	\$34,936,575	-\$4,831,199
Miscellaneous Store Retailers	\$10,190,081	\$10,885,704	-\$695,623
Sporting Goods, Hobby, Book, and Music Stores	\$8,392,289	\$8,175,738	\$216,551
Furniture and Home Furnishings	\$9,004,029	\$6,236,277	\$2,767,752
Health and Personal Care Stores	\$22,067,766	\$12,731,259	\$9,336,507
Foodservice and Drinking Places	\$41,768,335	\$30,823,758	\$10,944,577
Clothing and Clothing Accessories Stores	\$19,657,461	\$3,739,739	\$15,917,722
General Merchandise, Apparel, Furniture, and Other	\$101,353,517	\$72,532,075	\$28,821,442
General Merchandise Stores	\$50,906,577	\$5,998,236	\$44,908,341

In 2012, Scio Township's supply (retail sales) totaled approximately \$688.6 million. The retail gap analysis indicates that Scio's total retail supply (retail sales) is greater than Scio's total demand (consumer expenditure). This could be seen as a negative; in actuality, this is a positive for the community. Essentially, the analysis indicates that retail consumption in Scio Township is comprised of a majority of consumers who do not reside within the Township, which means Scio retailers are drawing customers from surrounding communities.

Data Source: RMP Opportunity Gap - Retail Stores, Claritas

# Tracking Economic Health in Scio Township

## APPENDIX A: Data Tables

### BUSINESS CLIMATE

TOTAL BUSINESSES + BUSINESSES BY INDUSTRY				
CODE	Industry	Number of Establishments 2010	Number of Establishments 2011	Change
11----	Agriculture, forestry, fishing and hunting, and mining	0	1	1
23----	Construction	53	50	-3
31----	Manufacturing	125	130	5
42----	Wholesale Trade	26	30	4
44----	Retail Trade	104	120	16
48----	Transportation and Warehousing, and Utilities	33	32	-1
51----	Information	25	20	-5
52----	Finance and Insurance, and Real Estate/Rental and Leasing	86	99	13
54----	Professional, Scientific, and Technical Services	35	44	9
55----	Management of Companies and Enterprises	0	0	0
56----	Administrative and Support and Waste Management and Remediation Services	7	7	0
61----	Educational Services, Health Care, and Social Assistance	28	23	-5
71----	Arts, Entertainment, and Recreation, Accommodations and Food	74	76	2
81----	Other Services (except Public Administration)	244	266	22
99----	Unclassified	26	29	3
00----	Total	866	927	61

Source: Scio Township Assessor's Office

# Tracking Economic Health in Scio Township

## APPENDIX A: Data Tables

### POPULATION CHARACTERISTICS

#### POPULATION GROWTH

	Census 2000	Census 2010	Change	% Change
Population	13,421	16,470	3,049	22.7%

Source: SEMCOG, U.S. Census Bureau

#### MEDIAN HOUSEHOLD INCOME

	2000	2010	Change	% Change
Median Household Income	107295	88947	-18348	-17.1%
Per Capita Income	50313	46389	-3924	-7.8%

Source: SEMCOG

#### EDUCATIONAL ATTAINMENT

	2000	2010	% Change
Graduate/Professional Degree	30.00%	36.20%	6.20%
Bachelor's Degree	28.70%	25.90%	-2.80%
Associate Degree	5.20%	5.20%	0
Some College, No Degree	19.90%	18.40%	-1.50%
High School Graduate	11.90%	12.60%	0.70%
Did Not Graduate High School	4.30%	1.70%	-2.60%

Source: SEMCOG

#### MEDIAN AGE

	2000	2010	Change
Median Age	37.8	41.60%	3.8

Source: SEMCOG

#### MEDIAN HOUSING VALUE

	2000	2010	Change	% Change
Median Housing Value	332,103	315,600	-16503	-5.0%

Source: SEMCOG

# Tracking Economic Health in Scio Township

## APPENDIX: Data Tables

### EMPLOYMENT TRENDS

TOTAL UNEMPLOYMENT				
	2000	2010	% of Total	% of Total
Employed	10777	10519	94.1%	98.6%
Unemployed	157	655	5.9%	1.4%
In Labor Force	10934	11174	100.0%	100.0%

Source: SEMCOG + ACS Data 2006-2010

OCCUPATION FOR EMPLOYED CIVILIAN POPULATION 16 YRS AND OLDER				
Agriculture, forestry, fishing and hunting, and mining		40		0.4%
Construction		377		3.7%
Manufacturing		1210		11.8%
Wholesale trade		340		3.3%
Retail trade		918		8.9%
Transportation and warehousing, and utilities		170		1.7%
Information		279		2.7%
Finance and insurance, and real estate and rental and leasing		641		6.2%
Professional, scientific, and management, and administrative and waste management services		1376		13.4%
Educational services, and health care and social assistance		3507		34.2%
Arts, entertainment, and recreation, and accommodation and food services		738		7.2%
Other services, except public administration		449		4.4%
Public administration		212		2.1%
Total		10257		100.0%

Source: ACS Data 2006-2010

HOUSING TENURE			
	2000	2010	% of Total
Owner occupied	4206	5254	80.4%
Renter occupied	851	1151	16.3%
Vacant	177	289	3.4%
Total	5234	6694	100.0%

Source: SEMCOG/U.S. Census Bureau

# Tracking Economic Health in Scio Township

## APPENDIX: Data Tables

### EMPLOYMENT TRENDS

Commuter Data For Scio Township, 2010

Where Workers Commute To (Living In Scio Township)			Where Workers Commute From (Employed in Scio Township)		
Community	2010 Count	Share	Community	2010 Count	Share
Ann Arbor city (Washtenaw, MI)	4,278	46.17%	Ann Arbor city (Washtenaw, MI)	1,043	8.55%
Scio township (Washtenaw, MI)	776	8.37%	Scio township (Washtenaw, MI)	776	6.36%
Pittsfield charter township (Washtenaw, MI)	375	4.05%	Ypsilanti charter township (Washtenaw, MI)	552	4.52%
Superior charter township (Washtenaw, MI)	195	2.10%	Pittsfield charter township (Washtenaw, MI)	363	2.98%
Dexter Village (Washtenaw, MI)	184	1.99%	Webster township (Washtenaw, MI)	355	2.91%
Detroit city (Wayne, MI)	180	1.94%	Dexter township (Washtenaw, MI)	331	2.71%
Dearborn city (Wayne, MI)	177	1.91%	Hamburg township (Livingston, MI)	311	2.55%
Livonia city (Wayne, MI)	160	1.73%	Canton charter township (Wayne, MI)	240	1.97%
Ypsilanti city (Washtenaw, MI)	148	1.60%	Putnam township (Livingston, MI)	213	1.75%
Southfield city (Oakland, MI)	136	1.47%	Leoni township (Jackson, MI)	172	1.41%
Ypsilanti charter township (Washtenaw, MI)	120	1.30%	Dexter Village (Washtenaw, MI)	171	1.40%
All Other Locations	2,537	27.38%	All Other Locations	7,674	62.90%
Total living in area, employed outside	8,490		Total employed in the area, living outside	11,425	

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics