



ANN ARBOR

Business Profile

Located in southeast Michigan, Ann Arbor is known for its bustling business and commercial districts, well-educated workforce, strong public transportation, and high-tech research opportunities. The City regularly receives national accolades for being one of the most creative, innovative and entrepreneurial places in the United States..

With its diverse array of commercial areas - from Kerrytown market featuring local businesses, to Research Park, home to several automotive testing facilities, to the several major retail centers - Ann Arbor offers venues for all types of commercial ventures.

DEMOGRAPHICS

Population


Resident Population (2013)	117,532
Households (2013)	49,177
Average Household Size (2013)	2.15
Median Household Income (2010)	\$52,625
Over 25 with a B.A. Degree or Higher (2010)	71%
Median Age (2010)	28

EMPLOYMENT AND JOBS

In 2010, Ann Arbor was home to over 120,000 jobs. That figure is expected to grow to 145,000 by 2040.

Top Five Industries by Employment Percent (%)

1. Educational Services	30
2. Health Care and Social Assistance	15
3. Professional, Scientific, and Technical Services	8
4. Retail Trade	6
5. Accommodation and Food Services	5
All Others	36



Top Employers in the Ann Arbor Area (2013) Employees

University of Michigan	16,143
University of Michigan Medical Center	12,000
Ann Arbor Public Schools	3,578
Toyota Technical Center	1,500
Thomson Reuters	1,100

By 2015, more than 4 in 10 households in the region are projected earn over \$75,000 and 3 in 10 are projected to earn over \$100,000.

Employment & Transportation Efficiency

Transportation Affordability Index (Transportation Cost as Percent of Income)	21.05%
Employment Access Index	35,145 jobs/sq.mi.
Transit Connectivity Index	21,832 rides/week
Transit Ridership Percent of Workers	8.95%

Over 40,140 workers (69.2% of residents) work in Ann Arbor, making up 43.5% of the 120,588 daily employees.

HOSPITALITY

Hotel Statistics (2012)

Ann Arbor Occupancy Rate	63.4%
Compared to Michigan's Occupancy Rate	53.4%
Rooms Reserved per Year	950,000
Yearly Direct Hotel Sales (County)	\$86,000,000
Average Daily Rate	\$90.76
Hotel Guest Rooms	~ 4,000
Extended Stay Hotels	6

REDEVELOPMENT READY COMMUNITY

Ann Arbor is currently seeking certification as a Redevelopment Ready Community by the Michigan Economic Development Corporation.

Redevelopment Ready Communities attract developers and investors by having best practices such as:

- Updated Master Plans that target areas for reinvestment
- Zoning ordinances that allow for mixed-use districts
- Clear and accessible site plan review process
- Involved public that participates in community visioning

OFFICE SPACE

- The Ann Arbor area featured nearly 9.2 million square feet of office space in 2014, with a vacancy rate of just 7.3%.
- Office rent averaged \$16.43 per square foot in 2014 and is expected to surpass \$18 per square foot in 2015.
- Several co-working and shared office spaces can be found downtown, fostering local entrepreneurs.

(Inter) National Companies within Ann Arbor

Google / Mercedes-Benz R&D / Honda R&D / ProQuest / Domino's Pizza / Barracuda Networks / JSTOR / HealthMedia / Lotus Engineering / GDI Infotech / Car & Driver (Hearst Corp.)

High technology, biotech, and health services companies flock to the Ann Arbor area to employ top-tier talent from the University of Michigan.

RETAIL & LOCAL BUSINESS

Households within a 10-minute drive from downtown Ann Arbor spend 1.6 times the national average on dining out and entertainment purchases.

Major Retail

- Five major retail centers offering 2.1 million sq.ft. of shopping
- An additional 1 million square feet of retail space
- National retailers including Apple, J. Crew, Godiva Chocolatier, William Sonoma, Whole Foods, American Apparel, North Face, Brooks Brothers, REI, and Coach

Local Business

- *Think Local First*, an collective of independent, locally-owned businesses and organizations in Washtenaw county, supports local business by raising community awareness, sharing resources, and developing strategies to increase the strength and prominence of local business in the area.
- Thriving local businesses include world-famous Zingerman's, 30 independent bookstores, dozens of art galleries, 250+ incredible restaurants, eateries, and sidewalk cafes, and countless one-of-a-kind boutiques, gift stores, and shops.



Business Profile

SUSTAINABLE BUSINESS

Clean and Alternative Energy Firms in Ann Arbor

- *A123*: develops lithium batteries for hybrid vehicles.
- *Clean Energy Coalition*: promotes clean energy technologies as a way to create healthier, energy independent communities.
- *Environmental Protection Agency National Vehicle and Fuel Emissions Lab*: tests clean automotive technology and alternative fuels.
- *University of Michigan Phoenix Energy Institute*: researches carbon-free energy sources such as geothermal, wind, and solar, more efficient energy storage and utilization, and alternative transportation and fuel systems
- *University of Michigan Center for Solar & Thermal Energy Conversion*: designs and creates new, high-efficiency photovoltaic and thermoelectric devices.

SUSTAINABLE ECONOMIC DEVELOPMENT

The projects below are some of the many initiatives Ann Arbor is implementing and encouraging so that it can reach its Climate Action Plan goal of reducing greenhouse gas emissions 28% from 2000 levels by 2025 and improving the City's overall environmental sustainability.

PACE Program

- In February 2013, the Ann Arbor City Council authorized the sale of Property Assessed Clean Energy (PACE) bonds.
- The PACE Program offers financing to local businesses that install energy efficient improvements
- Financing is available through the sale of a 10-year bond and repaid by property owners through annual special assessments, features long-term, low, fixed interest rates.
- In March 2013, five local businesses signed on to the PACE program and installed energy-saving features that cost anywhere from \$16,000 to 245,000, collectively saving \$50,000 a year.

Brownfield Redevelopment

- In 2002, the City of Ann Arbor joined the Washtenaw County Brownfield Redevelopment Agency to encourage the development and environmental restoration of properties that are contaminated, blighted, or functionally obsolete.
- The brownfield program provides authorities multiple tools to encourage redevelopment, including tax increment financing, revolving loan funds, and single business tax credits.
- Recent Brownfield Redevelopment Projects include:
 - *Maple Shoppes*: This shopping center redeveloped a contaminated automotive repair and fueling site. The capital investment was \$7.8 million, brownfield redevelopment reimbursement totaled \$1.2 million, and the project created 30 jobs.
 - *Landmark*: This 14-story, mixed-use apartment building redeveloped a contaminated site. The capital investment was \$73 million, brownfield redevelopment reimbursement totaled \$8.9 million, and the project created approximately 100 jobs.

SPARK ANN ARBOR

SPARK is a nonprofit organization that drives economic development by providing entrepreneurial support to attract and develop business and industry in the Ann Arbor area.

SPARK Resources

- Entrepreneurial Training
- Incubator Network
- Funding Programs
- Business Accelerator
- Site Selection Resources
- Regional Data Center
- Job Seeker and Employer Resources

SPARK Successes 2006 - 2013

• Project Successes	307
• New Jobs Created	13,024
• New Investment Commitments	\$1.5 Billion
• Microloans Awarded	111
• Start-Ups Assisted	794

THE MILE ACT

In December 2013, the MI legislature passed the MILE Act to allow intrastate crowdfunding, enabling small businesses access to non-traditional funding options.

Newly enabled by the MILE Act

- Businesses without audited financial statements can raise up to \$1 million through a private securities offering; businesses with an audited financial statement can raise up to \$2 million.
- Accredited investors can invest an unlimited amount of money in a crowdfunding campaign; non-accredited investors can invest up to \$10,000 in any one campaign.

CrowdfundingMI

- This newly created website informs and inspires Michigan's entrepreneurs, investors, and community leaders to invest locally and begin crowdfunding campaigns.
- Launched by the Michigan Municipal League in partnership with the Michigan Economic Development Corporation

TRANSPORTATION

Getting Around Ann Arbor

- The City contains 37 miles of bike lanes with plans to build up to 76.
- The AAATA has over 1,500 bus stops throughout Washtenaw County.
- University of Michigan Blue Buses are free for all.
- There are over 20 taxi cab service providers.



Getting To and From Ann Arbor

- The AirRide Bus offers 12 round trips daily to and from the Detroit Metropolitan Airport.
- An Amtrak station, a Greyhound station, and a Megabus station are all located in or next to downtown Ann Arbor.

For more information, see any of the following websites: SEMCOG Data and Maps / Ann Arbor SPARK / Ann Arbor DDA / City of Ann Arbor / Visit Ann Arbor / A2Y Regional Chamber / H + T Affordability Index / Social Explorer Census Maps / AAATA / Washtenaw County Brownfield Redevelopment Program / CrowdfundingMI/ MI Economic Development Corp.