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MICHIGAN'S HIGH-TECH HOPE



MADALYN RUGGIERO/Special to the Free Press

Janet Renteria, 25, and her boyfriend, Ruben Moreno, 31, moved to Ann Arbor from Culver City, Calif., for Moreno's job with Xoran Technologies Inc. While many Michigan companies are struggling with the economic downturn, the Ann Arbor area continues to draw business and add jobs.

Ann Arbor's economy shines



KATHLEEN GALLIGAN/Detroit Free Press

Google Inc. expects to add another 1,000 jobs in Ann Arbor in the next five years.

City adds jobs, businesses despite bleak state outlook

By JEWEL GOPWANI
FREE PRESS BUSINESS WRITER

Ruben Moreno never expected to live in Michigan.

The California native and his fiancée, Janet Renteria, moved from Culver City to Ann Arbor a year ago for a promotion with Xoran Technologies Inc.

After a year of testing a new city and their first winter, Moreno and Renteria

say they're here to stay.

"It reminds us of home, but it's not the big city. Everything is more peaceful here," said Moreno, 31.

As job losses in other cities contribute to the state's high unemployment rate, Ann Arbor stands out in attracting companies and employees.

The University of Michigan — its stu-

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dents, hospital and research — has drawn businesses for years, helping to establish a diverse economy.

Those strengths couldn't stem the 7,800 post-recession jobs Washtenaw County lost between 2002 and 2004. But they have helped the county post modest job gains — 900 jobs last year — about four years before Michigan is expected to experience job growth, according to U-M economics professor George Fulton.

The latest push for growth comes as leaders in Ann Arbor, Washtenaw County and U-M combine efforts to bring jobs to the region.

The result has been a string of expansion plans and new companies deciding to set up shop in or near the college town.

A thousand Google Inc. jobs coming to Ann Arbor is just one example. Toyota Motor Corp. and Hyundai Motor Co. are adding jobs as they expand technical centers in Washtenaw County.

During the next five years, large companies have committed to creating 2,500 jobs in the region. That doesn't include at least a couple dozen start-ups that expect to add a few jobs each.

"I feel like we're just getting the traction. I'm hoping we can follow up with a lot more successes of companies deciding that Ann Arbor is a really good place to grow," said U-M President Mary Sue Coleman.

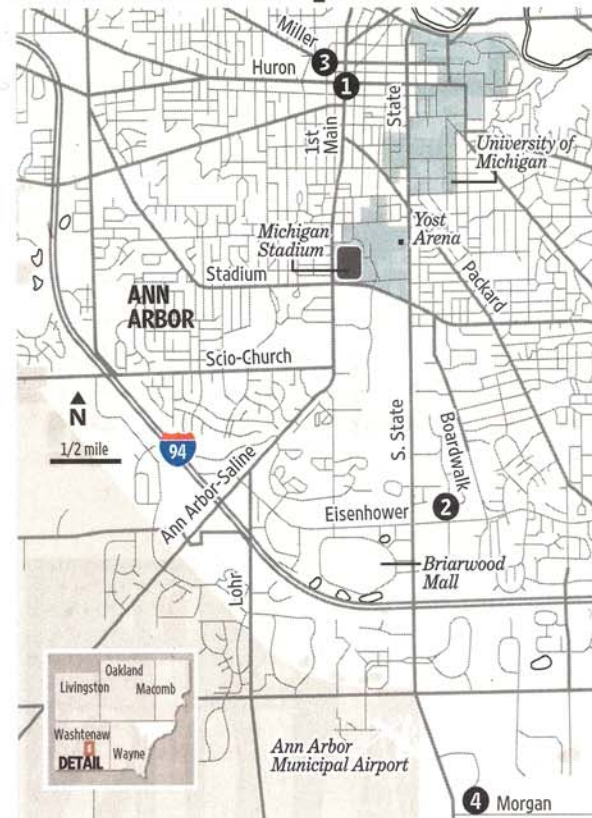
Coleman, who helped woo Google, credits a 4-month-old development group called Ann Arbor SPARK with quickening the pace of Google's arrival.

"You really have to be aggressive in selling the assets of your region," said Michael Finney, chief executive of Ann Arbor SPARK, which was launched by university, business and civic leaders to attract so-called knowledge-based sectors, such as alternative energy and biotechnology.

For Ann Arbor, those assets include a deep pool of prospective employees, proximity to auto and health care companies and a pretty cool place to live or work.

With more jobs come more stories like those of Moreno and Renteria, or Jing Jin Xie, a U-M

Economic hot spots



- 1 Google:** 112 S. Main St. Search Engine's advertising division creating 1,000 jobs over 5 years.
- 2 Advanced Photonix:** 2925 Boardwalk. Makes optical receivers for the telecom industry.
- 3 Xoran Technologies:** 309 N. First St. Makes portable scanners, adding 171 jobs over five years.
- 4 Michigan Research Institute:** 401 W. Morgan. Helps commercialize research, working on technology that pasteurizes eggs, to create 100 jobs for a Farmington Hills firm.

Source: Research by JEWEL GOPWANI/Detroit Free Press MARTHA THIERRY/Detroit Free Press

graduate engineering student, who had hoped to find a job coming up with more efficient manufacturing methods. Instead, Xie, a 22-year-old from Shanghai, expects to hold off on that goal of joining the auto industry.

"Maybe not now, but hopefully in three to five years," said Xie, who plans to apply for a job with Google after stopping by its table at a U-M job fair Thursday.

Michigan's struggling economy isn't lost on Moreno and Renteria, either.

It took Renteria, 25, who studied social work in California, sev-

en months to find a job in Michigan.

Her search ended when one of Moreno's colleagues suggested she apply as the artist's assistant at Mosaic Sphere Studio in Ann Arbor.

"We kind of knew that Michigan was going through a tough time. We knew that it might be a little difficult," Renteria said.

Renteria's experience underscores that Ann Arbor still feels the state's economic doldrums.

But there's a flip side to that too, said Patrick Anderson, principal at the East Lansing-based



KATHLEEN GALLIGAN/Detroit Free Press

Google looks for job candidates for its new Ann Arbor office at a University of Michigan job fair on Thursday.

How Ann Arbor compares

| | Unemployment rate in August | Median household income in 2005 | Percentage of population with bachelor's degree or higher in 2005 |
|------------------|-----------------------------|---------------------------------|---|
| Ann Arbor | 4.9% | \$45,798 | 36% |
| Washtenaw County | 4.6% | \$53,495 | 23% |
| Michigan | 6.7% | \$46,039 | 9% |

Sources: State of Michigan, U.S. Census Bureau

Anderson Economic Group.

Ann Arbor "both supports southeastern Michigan and is supported by it," he said, referring to the automotive research taking place in Washtenaw County.

On a smaller scale, that's the idea behind the latest research project at the nonprofit Michigan

Research Institute. Researchers there are developing technology to pasteurize eggs for Farmington Hills-based Diamond Systems to manufacture, bringing 100 jobs to Oakland County, said Andrew Taylor, the institute's vice president.

So in its efforts go beyond Washtenaw County, Ann Arbor

SPARK hopes to start an \$8-million seed fund to build businesses working with the state's 11 SmartZones, clusters of business development around universities.

"We have to think regionally," Coleman said. "For us, the key came when we started thinking not just the University of Michigan and not just Ann Arbor. ... Now we need to be making those links all over southeastern Michigan."

"This is what we're driving for," Coleman said. "This is what we've been talking about."

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