

# There are Great Things Happening in Michigan

April 2008

MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION



# MICHIGAN GIVES YOU THE UPPER HAND

From the most aggressive film incentive program in the nation to the one-of-a-kind 21st Century Jobs Fund Commercialization Business Plan Competition, no state beats Michigan when it comes to fostering innovation, entrepreneurship and new job growth. Thanks to our wide array of economic development tools, excellent work force and competitive business climate, companies large and small, both traditional and high-tech, are locating, expanding and growing in Michigan.

## NEWS

### NEW 21ST CENTURY JOBS FUND BUSINESS PLAN COMPETITION LAUNCHED

Governor Jennifer M. Granholm announced a second competition for **21st Century Jobs Fund awards,** with a focus in this round on companies that are ready to create jobs in competitive-edge technology sectors of alternative energy, life sciences, advanced manufacturing, and homeland security and defense. Applicants will vie for a share of up to $30 million in awards to grow businesses in the targeted areas

The first round of funding resulted in the award of $126.3 million to 78 organizations engaged in high-tech research, commercializing new products, and creating new jobs.

Funding will be based on a competitive, independent peer review process. The peer review service provider, to be announced in May, will manage applications, assign reviewers to specific proposals, score proposals through the Michigan Economic Development Corporation's℠ (MEDC's) electronic award management system and make recommendations for funding decisions.Awards will be announced in early September.

The Request for Proposal (RFP) is available online at **TheMEDC.org/21CBizPlan** along with specifics on the application process.

### GOVERNOR SIGNS BILLS CREATING ANCHOR ZONES TO ATTRACT GROWING COMPANIES

A package of bills has been enacted to create **"anchor zones"** that provide incentives to companies to attract other growing companies.

The first of two bills provides tax credits for anchor companies, those companies that attract or influence suppliers or customers to expand anywhere in Michigan. A second bill grants the anchor company a Michigan Business Tax credit incentive for up to 10 years for successfully encouraging a customer or supplier company to locate within a 10-mile radius of the anchor company's facility.

The anchor zone incentives are directed at companies, suppliers and customers active in high-growth, high-technology industries targeted in the governor's 21st Century Jobs Fund initiative, particularly in the area of alternative energy. Others are advanced manufacturing and materials, information technology, life sciences and homeland security and defense.

### MICHIGAN SETS STAGE FOR FILM STARDOM

Governor Granholm has signed legislation that establishes the most aggressive **film incentive program** in the nation to grow the film industry in Michigan.

"We're going to grow this industry and in the process, grow our economy and create jobs," Granholm said. "Across the country and around the world, the film industry is a multi-billion dollar industry. We're going to bring some of that investment to Michigan."

Michigan's new film incentive program is designed to increase the number of productions filmed on location in Michigan, to attract production facilities, grow industry activities that support film production, create jobs, and train workers for those jobs.

# AWARDS AND ACHIEVEMENTS

## MICHIGAN STILL NO. 4 STATE FOR ENGINEERING DEGREES GRANTED

The annual survey by the **Engineering Workforce Commission** of Washington, D.C.-based American Association of Engineering Societies (AAES) ranked Michigan the No. 4 state for 6,566 of the 122,242 engineering and technical degrees granted in 2007. The leading states were California, New York and Texas. Michigan was also in fourth place in 2006 with 6,523.

## TRAVEL MICHIGAN LAUNCHES NEW MICHIGAN TOURISM WEB SITE

**Michigan.org,** America's most popular state tourism web site, was launched in mid-March with a new look and new features. It reflects the award-winning Pure Michigan brand, as well as videos and nearly 1,000 new photos of Michigan travel destinations.

Easy to navigate and search for specific information on places to go, things to do and places to stay, the site also offers one-click sign-up opportunities for the free 2008 Michigan Travel Ideas publication and registration for the free monthly travel eNewsletter. Web visitors also will see link "clouds" highlighting further information based on their search. In addition, the latest travel news is now available via RSS.



Deemed the most popular state tourism web site in the country in 2007 by Hitwise, an online measurement company, michigan.org received the largest percentage of U.S. visits to state tourism web sites last year.

Travel Michigan, a division of the MEDC, is the state's official agency for the promotion of tourism. Visitor spending in the state amounts to $18.8 billion annually, generating $1.1 billion in state taxes and accounting for 200,000 jobs statewide.

## MEDC, LOCAL COMMUNITIES HOST CHINESE COMPANY DELEGATION

The MEDC, in partnership with various communities across the state, hosted six Chinese automotive manufacturing companies April 6–12. The MEDC's Shanghai office pre-qualified the companies, each of which has shown interest in locating or forming a business relationship in the United States. Each was represented by a "C" level executive while visiting Michigan.

The goal of the mission is to convince the China-based companies that Michigan is where they should concentrate their U.S. search efforts. Individual one-on-one company meetings were arranged with qualified and interested Michigan companies. By meeting and discussing opportunities in China with one or more small to medium-sized manufacturing companies, the Chinese companies have been qualified and vetted by MEDC-Shanghai. These companies are willing and qualified to invest, purchase, and sell in the United States and have a strong interest in opening an operation in Michigan.

## GRAND RAPIDS ON SHORT LIST OF "STELLAR" MANUFACTURING REGIONS

A **study of manufacturing employment** in the United States ranked Grand Rapids one of five relatively healthy manufacturing-based cities, along with Indianapolis, Cleveland, Charleston, S.C., and Scranton, Pa. The survey, ranking more than 100 regions as "stellar" or "cellar," was done by the Washington, D.C.-based George Washington University Institute of Public Policy.

# COMPANY SUCCESSES

## STATE HELPS MACOMB COUNTY SUPPLIER WIN $94 MILLION DEFENSE CONTRACT

A high-tech defense supplier has secured a major federal contract, thanks to assistance from the state's Defense Contract Coordination Center (DC3). **Burtek Inc.** of Chesterfield won a three-year contract worth up to $94 million to supply 920 ambulances to the U.S. Army. The vehicles will be manufactured and assembled in Chesterfield and delivered during 2008.

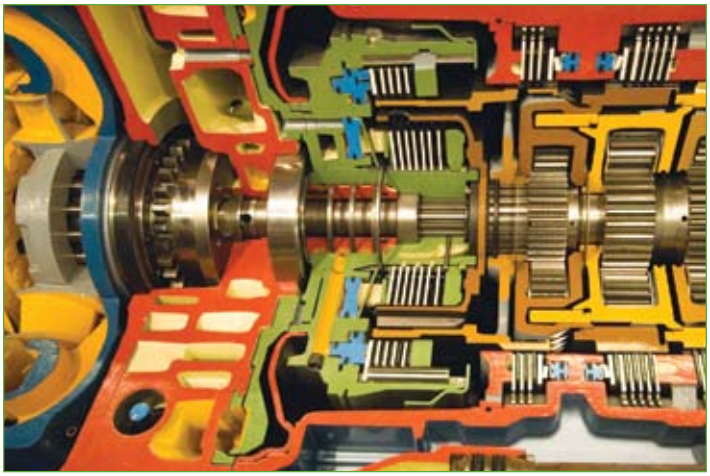
The DC3 is administered by the MEDC and was created through a one-time appropriation of $10 million through the 21st Century Jobs Fund program. It is implementing an aggressive outreach program to link businesses–or a network of companies—with contracting opportunities under the leadership of DC3 Director U.S. Marine Corps Major Gen. Bradley M. Lott (ret.). State Senator Valde Garcia sponsored the legislation creating DC3.

## NORTH AMERICAN BANCARD EXPANSION TO CREATE 1,899 NEW JOBS

The Troy-based financial services company, **North American Bancard,** will invest $25 million in an expansion expected to create 1,899 new jobs, including 1,500 directly by the company. Based on the MEDC's recommendation, the Michigan Economic Growth Authority (MEGA) approved a state tax credit valued at $21.5 million over 12 years to win the project over a competing site in Florida. To support the expansion, Oakland County plans to contribute up to $50,000 in federal training dollars under the Workforce Investment Act and provide additional job recruitment services. Automation Alley, a technology business association driving the growth and image of Southeast Michigan's economy through a collaborative culture that focuses on workforce and business development initiatives, will provide additional support through a two-year foundation level membership valued at $30,000.

## BROSE GROUP INVESTING $23 MILLION IN AUBURN HILLS EXPANSION, NEW BUILDING IN WARREN

**Brose Group,** the leading manufacturer of mechatronic components and systems for vehicle bodies and interiors, has recently announced expansion of North American headquarters in Auburn Hills. In addition, they have



announced the ground breaking on a new facility, Brose Jefferson, located in Warren. These decisions follow the governor's investment mission to Germany last year which included meetings with company leaders at the Brose headquarters in Coburg. In total, Brose will invest some $23 million in the projects. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $7.4 million over seven years which helped persuade the company to choose Michigan over competing states for the new facility. The projects are expected to create a total of approximately 500 positions within the next five to seven years and generate up to 1,317 additional spin-off jobs in the state. To support the projects, the city of Warren has approved a 10-year abatement worth $662,000 and the city of Auburn Hills is considering an eight-year abatement worth $457,000.

## NORTH CAROLINA-BASED SUPPLIER LOCATING NEW $15 MILLION PLANT IN QUINCY

**Paragon Metals Inc.,** the Charlotte, N.C.-based manufacturer and supply chain manager of engineered precision components for U.S. and European auto, truck and original equipment manufacturers plans to invest approximately $15 million to locate a manufacturing operation in Quincy, creating 235 new jobs including 130 directly by the company. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $1.1 million over seven years to help convince the company to choose Michigan for the new facility over a competing site in South Carolina. To support the project, the township of Quincy has approved a 12-year abatement worth $470,000.

## COMPANY SUCCESSES

### ARVINMERITOR INVESTING $16 MILLION IN SOUTHWEST DETROIT, CREATING 404 NEW JOBS

The global supplier of integrated systems, modules and components to the motor vehicle industry, **ArvinMeritor,** will invest $15.9 million in new equipment at its facility in southwest Detroit to fulfill a multi-year contract with a major automotive manufacturer. The project is expected to create up to 404 new jobs including 119 directly by the company. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $1.1 million over seven years to win the project over a competing site in Ohio. To support the project, the city of Detroit is considering a 10-year abatement worth $3.8 million when combined with savings under the new Michigan Business Tax. The Detroit Economic Growth Corporation partnered with the MEDC in coordinating a proposal and incentive package to help secure the company's growth in the city.

### BATTERY SYSTEMS TECH CENTER COMING TO VAN BUREN TOWNSHIP

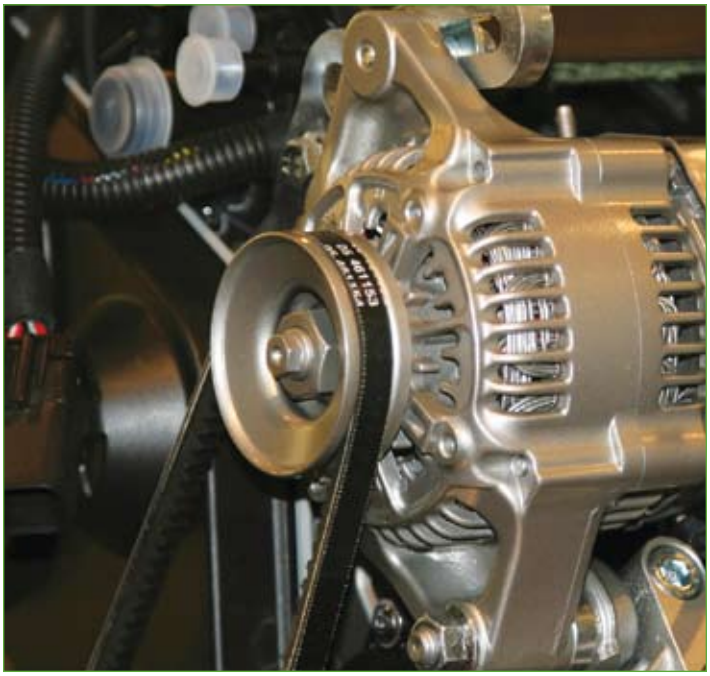
**Ricardo Inc.,** a leading independent provider of technology, product innovation, engineering solutions and strategic consulting in low emissions and fuel-efficient powertrain technology, will invest more than $2 million to establish a Battery Systems Development Center for hybrid and electric vehicle battery pack development and testing at its facility in Van Buren Township. The project is expected to create 32 new jobs directly by the company and 16 spin-off jobs. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $991,000 over 10 years to win the company's investment over a competing site in Illinois. To support the project, Van Buren Township will consider an eight-year abatement worth approximately $74,200 when combined with savings under the new Michigan Business Tax.

### SAKTI3 TO COMMERCIALIZE MANUFACTURING PROCESS FOR HIGH-POWER BATTERY DEVELOPMENT

The high -tech startup **Sakti3** plans to invest more than $1 million to commercialize a manufacturing process in Ann Arbor for the development of high-power batteries that will withstand the rigors of automotive use. The technology for this process stemmed from research performed at the University of Michigan by the company's CEO, Professor Ann Marie Sastry. The project is expected to create 230 new jobs, including 112 directly by the company. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $2.3 million over 10 years to win the company's investment. To support the project, Ann Arbor SPARK provided administrative assistance during the MEGA application process.

### CALIFORNIA SOFTWARE FIRM SETTING UP OPERATIONS IN ANN ARBOR

The Redwood City, California-based **MyBuys Inc.,** a personalized product recommendation service for online-retailers, is planning to invest $5.4 million to establish operations in Ann Arbor. The project is expected to create 606 new jobs, 250 directly by the company. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at $3.9 million over 10 years to help tip the scales toward Michigan over a competing site in Austin, Texas. The city of Ann Arbor plans to support the project with a local tax abatement and Ann Arbor SPARK will provide rental assistance to MyBuys valued at more than $4,700.



## COMPANY SUCCESSES



### FLORIDA-BASED BOAR'S HEAD PROVISIONS CO. INC. EXPANDS IN MICHIGAN

Sarasota, Florida-based food processor **Boar's Head** will invest $25 million to acquire property and new equipment for expansion of its operations in Holland Township. The project is expected to create 208 new jobs at the company and an additional 239 spin-off jobs over the next seven years. Based on the MEDC's recommendation, MEGA approved a state tax credit valued at more than $1.6 million over seven years to help convince the company to invest in Michigan. Holland Township is anticipated to support the project with a local property tax abatement valued at about $748,000 over 12 years.

### NINE-STORY HOTEL BEING BUILT IN GRAND RAPIDS

Developer **Hotel Holdings Monroe LLC** will use a state brownfield tax credit valued at $3.5 million to demolish a vacant building and build in its place a nine-story, 238-room hotel located at 710, 720 and 748 NW Monroe Avenue in Grand Rapids. The 185,000-square-foot structure will include a restaurant, limited retail, meeting room and banquet facilities and parking. Capital investment of $37.2 million will support creation of 150 new jobs, with the project scheduled for completion by summer of 2010.

### FORMER LEELANAU COUNTY COMPLEX REPLACED BY NEW HOUSING

State and local tax capture valued at $350,750 will allow Leelanau County Brownfield Redevelopment Authority to demolish the former Leelanau County Complex comprising the court house, sheriff's department/jail and two other office buildings to make way for six single and 20 multiple family housing units. Capital investment in the project is estimated at $10.4 million.

### BROWNFIELD CREDIT BACKS NEW APARTMENTS, ART GALLERY, THEATER AND RETAIL DEVELOPMENT

In Grand Rapids, developer **Two West Fulton LLC** will use a $3.4-million state brownfield tax credit to support construction of 66 new apartments, art theater, art gallery and additional retail on a vacant and contaminated site located at 1 South Division. The $34 million project is expected to create 38 new jobs.

### COMAU TO CONSOLIDATE 175 HIGH-TECH JOBS IN SOUTHFIELD

A vacant 115,000-square-foot facility in Southfield owned by **Comau Inc.** will be assisted by state and local tax capture valued at $264,000 and the City of Southfield Brownfield Redevelopment Authority. The project will enable Comau to consolidate some 175 engineering, design, program management and manufacturing jobs from other Michigan locations to Southfield instead of taking them to Alabama, Mexico or China. The company's product line consists of various automated assembly tooling products, including welding robots and control systems. Comau plans investment of up to $2 million in the project.

### LANSING, MUSKEGON PROJECTS GET ASSIST FROM STATE WITH REN ZONE AMENDMENTS

Expansion of Lansing's tax-free Renaissance Zone has been approved allowing work to begin on the long-planned $25 million **Capitol Club Tower** riverfront condo high-rise. In Muskegon, Renaissance Zone incentives due to expire in 2014 have been extended to 2023 to support the $5 million Heritage Square "live and work" condo development. The approvals were granted by the Michigan Strategic Fund board chaired by MEDC President and CEO James C. Epolito.