



# There are Great Things Happening in Michigan

January 2009



# MICHIGAN GIVES YOU THE UPPER HAND



Dear Friends:

December's collection of company expansions and new jobs was one of the busiest and best of 2008, with 20 projects resulting in more than 7,400 jobs and over \$2.3 billion in capital investment, including the \$1-billion Hemlock Semiconductor expansion in Saginaw County, the largest single commitment in the program's 13-year history. Equally noteworthy: Fisher Coachworks' venture to manufacture its fuel-efficient "plug-in" series mass transit bus in Livonia creating 1,955 new jobs, and Global Wind Systems' plans to develop and produce its wind turbine generation system in Novi.

New tools were put into place this month to continue our diversification and growth efforts when Governor Granholm signed a package of 11 bills creating five more renewable energy Renaissance Zones®; a Renewable Fuels Fund to promote the production and use of alternative fuels; and new tax incentives for the purchase of equipment for harvesting biomass and the conversion of existing gasoline pumps to pumps capable of delivering ethanol, biodiesel or other renewable fuels. Also on the way to the governor's desk for her signature is legislation to make Michigan the global center of the development and manufacture of high-tech batteries for electric and hybrid vehicles.

The Michigan Strategic Fund Board this month approved key measures to sustain our end-of-the-year momentum. They included a \$1.4 million allocation to the Small Business Technology Development Centers for the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) grant-loan matching program to help fuel high-tech job creation in the alternative energy, homeland security/defense and life science sectors. The MSF also approved several new Renaissance Zones® and Tool and Die Recovery Zone designations and additions.

Businesses are growing and jobs being created in communities all around Michigan. Enjoy!

A handwritten signature in black ink that reads "James C. Epolito". The signature is fluid and cursive, with a long horizontal stroke at the end.

James C. Epolito, President and CEO  
Michigan Economic Development Corporation<sup>SM</sup>

## AWARDS AND ACHIEVEMENTS

### MICHIGAN WINS NEW \$550 MILLION ATOM SMASHER

Michigan State University was named as the site of the U.S. Department of Energy (DOE) **Facility for Rare Isotope Beams**, beating out DOE-operated Argonne National Laboratory in Illinois for the \$550-million project. The rare isotope facility, built to uncover the origins of the elements, will supplement the university's National Superconducting Cyclotron Laboratory and bolster MSU's reputation as a research university capable of handling even the largest-scale government science projects. Once complete, the rare isotope facility will create 400 high-tech jobs.

### GRAND RAPIDS MACHINE SHOP WINS 'NOBEL PRIZE' OF MANUFACTURING

Micron Manufacturing Company won the national **Shingo Award for world-class lean manufacturing practices**. The 31-employee company may be the smallest ever to win the prestigious honor. Micron started the conversion to lean manufacturing processes in 2000 with the assistance of Right Place Inc.'s Michigan Manufacturing Technology Center in Grand Rapids.



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### 20 PROJECTS GENERATING \$2.3 BILLION INVESTMENT, 7,350 NEW JOBS

The Michigan Economic Development Corporation<sup>SM</sup> (MEDC) is helping 16 companies grow in Michigan and backing four brownfield redevelopment projects. Combined, the **20 projects are expected to create 7,350 new jobs** and generate over \$2.3 billion in new investment in the state.

### HEMLOCK SEMICONDUCTOR CORPORATION PLANS \$1 BILLION EXPANSION

The world's leading producer of polycrystalline silicon, a component of photovoltaic cells used to produce solar energy and various electronic devices for the

semiconductor industry, will invest up to \$1 billion to expand its manufacturing facility in Hemlock (Saginaw County). In addition, Dow Corning announced it will begin manufacturing high purity monosilane, a key specialty gas used to manufacture thin-film solar cells and liquid crystal displays (LCDs). This investment includes construction of a new monosilane manufacturing facility adjacent to HSC's polysilicon manufacturing site. The HSC expansion is expected to create 576 new jobs, including 190 directly by the company. Based on the MEDC's recommendation, the Michigan Economic Growth Authority (MEGA) board approved a state tax credit valued at \$8.4 million over 20 years to win the company's investment. The HSC

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project is the first to be designated for Anchor New Jobs and Anchor District incentives created by legislation signed into law last April. Under the designations, a company that attracts or influences a supplier or customer to locate or expand in Michigan (Anchor New Jobs) and a company that encourages a customer or supplier to locate within a 10-mile radius (Anchor District) can qualify for tax credits. Additional state and local support will include job-training assistance, funding for infrastructure improvements and tax abatements from Thomas Township.

### TIER 1 AUTO SUPPLIER EXPANDING IN FRASER

Faurecia, the world's eighth-largest Tier 1 supplier of automotive components will **invest \$8.8 million to expand its operations in Fraser**. The project is expected to create 281 new Michigan jobs, including 82 directly by the company. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$704,000 over eight years to help convince the company to expand in Michigan over a competing site in Ontario. The city of Fraser has proposed local tax abatements to support the project.

### BREWERY TO PRODUCE BEER, WINE AND SPIRITS IN WASHTENAW, GRAND TRAVERSE COUNTIES

Northern United Brewing plans to manufacture and bottle beer, distilled spirits and wine in Ann Arbor, Dexter and Peninsula Township. The start-up will **invest approximately \$5.8 million** in the project,



which is expected to create 398 new Michigan jobs, including 158 directly by the company. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$931,000 over seven years to help convince the company to expand in Michigan over competing sites in Ohio and Indiana. Ann Arbor SPARK and the Traverse City Economic Development Corporation will administrative assistance to support the project.

### GAS ENGINE SUPPLIER TO SET UP OPERATIONS IN EATON RAPIDS

White & Green Motors plans to **manufacture electric and recoil starters for gas engines** in Eaton Rapids. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$1 million over seven years to convince the company to choose Michigan over a competing site in Mexico. The company anticipates creation of up to 60 jobs initially and up to 122 over the term of the tax credit. An economic analysis conducted by the MEDC estimates the project will create 157 indirect jobs. The city of Eaton Rapids has approved a 12-year abatement to support the project.

### ZF GROUP EXPANDING OPERATIONS AT LEASED CHRYSLER PLANT IN MARYSVILLE

The manufacturer and assembler of automotive components and systems sold to various OEMs plans to lease part of the facility that Chrysler has under construction and **invest \$143.4 million to expand its operations in Marysville**. The expansion is expected to create 1,657 new Michigan jobs, including 475 directly by the company. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$5.8 million over 10 years to help convince the company to expand in Michigan over competing sites in other states. To support the project, the city of Marysville is considering a tax abatement.

### FUEL EFFICIENT MASS TRANSIT BUS TO BE PRODUCED IN LIVONIA

Fisher Coachworks, the producer of ultra light-weight hybrid vehicles, plans to **invest \$7 million to establish a Livonia facility for production of an innovative,**

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**fuel-efficient “plug-in” series mass transit bus.** The project is expected to create 1,955 new Michigan jobs, including 539 directly by the company. Based on the MEDC’s recommendation, the MEGA board approved a state tax credit valued at \$11.3 million to help convince the company to expand in Michigan over a competing site in Tennessee. The city of Livonia is considering a 12-year tax abatement to support the project.

### HOMEDICS INVESTMENT FOLLOWS GOVERNOR’S VISIT TO ISRAEL

FKA Distributing d/b/a HoMedics, a leading wellness brand specializing in high-quality home healthcare products, plans **investment of \$11 million to establish a Commerce Township facility for development of new wireless-charging device technology.** The project is expected to create 127 new Michigan jobs, including 62 directly by the company. Based on the MEDC’s recommendation, the MEGA board approved a state tax credit valued at \$1.1 million to help convince the company to expand in Michigan over a competing site in New Mexico. Governor Granholm met with company executives in Israel during her investment mission to the country in November to encourage them to expand in Michigan. Oakland County will support the project with workforce-training funds valued at \$30,000, and Commerce Township will support the project with a tax abatement.

### NEW WIND TURBINE MANUFACTURING PLANT LOCATING IN NOVI

Global Wind Systems Inc., the start-up wind turbine generation system OEM, will **invest \$32.3 million to locate its first facility in Novi.** The project is expected to create 807 new Michigan jobs, including 356 directly by the company. Based on the MEDC’s recommendation, the MEGA board approved a state tax credit valued at \$7.3 million over nine years to help convince the company to expand in Michigan over competing sites in Ohio, Iowa and Nebraska. Oakland County Michigan Works! will provide employee-training assistance to support the project, and the city of Novi will partner with the Oakland County Road Commission on future



upgrade and widening of Twelve Mile Road to support Global Wind Systems operations.

### AUTO SUPPLIER CONSOLIDATING OPERATIONS IN GRAND RAPIDS

Hart & Cooley, a manufacturer of air distribution and vent products for heating, plumbing and air conditioning systems whose product lines include grilles, registers, diffusers, flexible duct, gas vent, chimney system and duct system components, plans to **invest \$3.9 million to consolidate a portion of its U.S. and Canadian operations to its Grand Rapids facility.** The project will create 98 new Michigan jobs, including 48 direct jobs. Based on the MEDC’s recommendation, the MEGA board approved a state tax credit valued at \$1.3 million over 10 years to help convince the company to expand in Michigan over competing sites in Texas, Colorado, Illinois and Ohio. Cascade Charter Township will support the project with a 12-year tax abatement.

### AUTO SUPPLIER TECH CENTER EXPANDING IN NOVI

Kongsberg Automotive, a global leader in the design, validation and manufacture of motion control and seat systems, arm rests and head restraints for the automotive industry plans to **invest \$4.4 million to expand its technical center in Novi.** The project is expected to create 113 new Michigan jobs, including 58 directly by the company. Based on the MEDC’s recommendation, the MEGA board approved a state tax credit valued at \$875,000 to help convince the

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company to expand in Michigan over a competing site in Texas. Oakland County has offered employee-training assistance to support the project.

### AUTOMATED PRESCRIPTION PROCESSING CENTER COMING TO NOVI

Novixus will build the first national distribution and services center using automated processing of prescriptions for central fill and home delivery. The company will **invest approximately \$3.4 million in its Novi center** and will create 428 new Michigan jobs, including 192 directly by the company. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$3.1 million over seven years. Through the Economic Development Job Training fund, the MEDC will provide an employee-training grant valued at \$63,750. Oakland County and the city of Novi also will support the project with job-training and other assistance.

### LUXURY RESIDENTIAL/RETAIL COMPLEX REPLACING DETROIT CREAMERY BUILDING

State brownfield tax credits totaling \$4.7 million will support the Ten Fifteen Spruce project to **redevelop and convert the Detroit Creamery building and surrounding areas** into a luxury residential and retail complex. The project will generate \$38 million in new capital investment and is expected to create 50 new jobs.

### ABANDONED PUBLIC HOUSING IN DETROIT CONVERTING TO TOWNHOUSES

The ScrippsPark Associates LLC development team will partner with the city of Detroit and the Detroit Housing Commission to **invest \$35 million in redeveloping abandoned public housing** into 180 affordable townhouses. State brownfield tax credits totaling \$5 million will support the project.

### SEVERSTAL NORTH AMERICA IN DEARBORN MODERNIZING

The fourth-largest steelmaker in the United States plans to **invest \$700 million to rehabilitate, modernize and enhance aging facilities** in Dearborn to improve its

steel mill. The project is expected to retain 76 Michigan jobs. State brownfield tax credits totaling \$40 million will support the project.

### RIVER WEST PROJECT IN TRAVERSE CITY FEATURES MULTI-SCREEN CINEMA

A state brownfield tax credit totaling \$1.6 million and state and local tax capture valued at \$5.6 million will assist developers with the River West project, which consists of the construction of a 140,000-square-foot, mixed-use building, including a multi-screen cinema, in Traverse City. The project will **generate \$33 million in new capital investment** and is expected to create 175 new jobs.

### FORMER GREATER DETROIT HOSPITAL UNDERGOES REDEVELOPMENT

State and local tax capture valued at **more than \$1 million will support a proposed redevelopment of the former Greater Detroit Hospital**. The development will include a modern medical office and assisted living facility. The project will generate \$8.9 million in new capital investment and up to 251 new jobs.

### ANN ARBOR APARTMENT COMPLEX INCORPORATES ALTERNATE ENERGY SOURCES

A state brownfield tax credit totaling \$10 million and state and local tax capture valued at **more than \$4.7 million will support a proposed redevelopment project in Ann Arbor**. It will include a 14-story, mixed-



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use building with up to 180 apartments and incorporate alternate energy sources such as geothermal heating and cooling and solar panels. The project will generate \$82.8 million in new capital investment and up to 80 new jobs.

### **GRAND RAPIDS BUILDING TO BE WEST MICHIGAN'S FIRST ZERO CARBON FOOTPRINT PROJECT**

State and local tax capture valued at **\$364,050** will support a proposed redevelopment project in Grand Rapids. The development will include a three-story, mixed-use building with a green design, and the goal of the building is to be west Michigan's first zero carbon-footprint project. The project will generate \$3.1 million in new capital investment and up to 30 new jobs.

### **NEW COMMERCIAL PROJECT STARTING ON TRAVERSE CITY'S FRONT STREET**

State and local tax capture valued at **\$215,645** will support the proposed commercial and parking construction project on Front Street in Traverse City. The new site will include a new office building for a variety of medical professionals. The project will generate \$4.9 million in new capital investment and up to 15 new jobs and will retain 20 jobs.

### **ALDI FOOD CENTER ANCHORS ANN ARBOR REDEVELOPMENT**

State and local tax capture valued at **\$589,269** will support a proposed redevelopment project in Ann Arbor. The development will include an Aldi Food Center and additional retail shops with associated

parking, rain gardens, and extended sidewalks. The project will generate \$8 million in new capital investment and up to 30 new jobs.

### **GERBER-NESTLÉ NUTRITION TO INVEST \$75 MILLION OVER 10 YEARS**

Gerber Products-Nestlé Nutrition announced plans to invest **\$75 million in its Fremont (Newaygo County) campus**. The project will retain 1,100 area jobs, create an additional 200 jobs over the next 10 years and will include facility upgrades and new production lines. Following recent approval by the Michigan Agriculture Commission, Michigan Strategic Fund and State Administrative Board, the expansion has been designated an Agricultural Processing Renaissance Zone®, enabling it to qualify for certain tax benefits. Gerber Products Company began in 1928 and today produces nearly 190 different food products that are labeled in 16 languages and distributed in 80 countries around the world. It maintains one of the world's largest private research facilities dedicated to infant nutrition. In 2007, Gerber Products was purchased by Nestlé, part of the Nestlé Nutrition division. It works with over 200 Michigan growers and purchases more than 61,000 tons of produce valued at approximately \$12 million, in addition to purchasing \$36 million in packing and raw materials from 11 key Michigan-based suppliers.

### **U.P. BIOFUEL PRODUCTION FACILITY TO BE LOCATED IN MARQUETTE COUNTY**

Renewafuel, a biofuel-production company 70-percent owned by Cleveland Cliffs Inc. (CCI), is gearing up to produce biofuel cubes from renewable components including corn stalks, switch grass, grains, soybean and oat hulls as well as wood and wood byproducts. The biomass fuel production facility is located at Telkite Technology Park (Renaissance Zone®) in Gwinn at Sawyer International Airport, formerly K.I.Sawyer Air Force Base. The biofuel cubes, about the size of charcoal briquettes, generate about the same amount of energy as coal does. They will be used in place of coal to fire the furnaces at the Empire and Tilden mines, both owned by CCI.