

Michigan Economic Growth Authority

Annual Report



Michigan Jobs Commission

1998

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Executive Summary

The Michigan Economic Growth Authority (MEGA) tax credit program was created by the Michigan legislature to attract investment and stimulate job creation that would have gone to other states. Since the law's implementation in April of 1995, a total of 56 companies have received credits. In 1998, 17 companies received a MEGA credit.

Without the MEGA credits, New Jersey, Oklahoma, and Iowa would each have won new projects, two projects would have gone to Kentucky, two to Texas, four to Ohio and five to Indiana.

Over the next 20 years, these projects are expected to create nearly 4,000 jobs directly, increase other manufacturing, service, and retail jobs by more than 3,300, increase personal income in the state by more than \$5.7 billion, and increase state revenue by nearly \$351 million. The average weekly wage for these 17 projects will be \$668. Total capital investment in Michigan as a result of these MEGA credits is expected to be about \$414 million. Descriptions of each of these projects and a summary data sheet are found in this report.

During 1998, MEGA projects have been induced in 16 communities in the lower peninsula of Michigan and one project will take place in the central upper peninsula. Of the projects in the lower peninsula, 7 projects were in southeast Michigan, five projects in western Michigan, one in north central lower Michigan, and the remainder in rural locations throughout lower Michigan.

Each credit agreement is unique. Projects range in size from 92 new employees in South Haven to 580 jobs in the City of Whitehall. In addition to creating new jobs, 10 of the 17 projects were expansions of existing operations that will secure thousands of existing jobs in the state.

The MEGA Board's approval of each of these credits was given following extensive research into the cost differentials between Michigan and competitor states. Besides the positive economic benefits in Michigan, these projects continue to improve Michigan's image, nationally and internationally, as a cost-competitive state for diversified technical, service, manufacturing, and headquarters operations.

MEGA Contact Summary

There were 36 potential MEGA projects discussed with Michigan Jobs Commission staff in 1998. Companies learned about the MEGA program through contact with their Michigan Jobs Commission account manager, media coverage of the program, and through increased awareness of the program by consultants, tax advisors, and site location specialists.

During the fourth year of the MEGA program, company interest has remained high. The number of credits has remained stable over the four years of the program due to rigorous initial screening by Michigan Jobs Commission staff and by maintenance of high qualification standards adopted by the MEGA board of directors.

Of the 36 companies that MEGA specialists have worked with in the past year, the following information is available.

- 17 projects were granted credits
- 7 active MEGA applications are in process.
- 6 projects were deemed ineligible or were withdrawn voluntarily.
- 1 company located in Michigan without MEGA.
- 5 companies have postponed their projects.

Summaries of the approved projects follow this section of the report.

Project Description

AAR Corporation
One AAR Place
1100 North Wood Dale Road
Wood Dale, Illinois 60191
Location of Project: City of Cadillac, Wexford County

HISTORY OF COMPANY:

AAR is a publicly traded company founded 45 years ago. The primary activities of the company are the trade of aircraft and parts, airframe parts and aircraft parts distribution, and overhaul of aircraft. Trade accounts for more than half of the company's revenue with overhaul and manufacturing each contributing approximately one quarter of its revenue. AAR employs more than 2,100 employees in 33 facilities in 10 countries. Gross revenues for the company exceeded \$500 million in 1996. The company has increased revenues by approximately \$50 million annually for the past three years and expects this growth to continue into the future.

PROJECT DESCRIPTION:

AAR desired to expand its manufacturing capacity in the United States. The company considered expanding to a site in Oklahoma or in Cadillac, Michigan. Its current facility in Cadillac produces aircraft and aerospace parts. Current products include shipping pallets and floor systems for air freight handling. This new project will create 300 new jobs and will have a capital investment of approximately \$12.3 million. Investment includes \$8.1 million for new construction and renovation of an existing facility and \$4.2 million for machinery and equipment. New products will be mobile shelters for military applications.

This project, in Cadillac, will involve the expansion of an existing building in the city. It will include office and manufacturing space. Wage rates for these new jobs will average \$479 per week (\$11.97 per hour). By securing this expansion in Cadillac, the company will also be committed to retaining 363 jobs in Michigan. These existing jobs are located in Cadillac and Livonia. If this new facility had been placed in Oklahoma, it was the company's stated intent to move the entire operation from Cadillac to Oklahoma.

CURRENT STATUS:

On June 19, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of 20 years for up to 300 net new jobs. On August 28, 1998, a MEGA credit agreement was signed by the company.

Summary Data AAR Corporation

Total Jobs Created	447
Direct	300
Indirect	147
Average Weekly Wage	\$479
Capital Investment	\$12,300,000
Net Positive State Revenue Impact	\$24,156,000
Revenue Forgone	\$6,043,000
Revenue Gain	\$30,199,000
Personal Income Generated Over Life of MEGA Agreement	\$377,480,000
Local Participation	\$1,728,606
Type of Assistance	(tax abatement)

Project Description

Alliant Foodservice, Incorporated
27000 Wick Road
Taylor, Michigan 48180
Location of Project: Lyon Township, Oakland County

HISTORY OF COMPANY:

Alliant Foodservice, Incorporated, is a broad line food service distribution company servicing the needs of restaurants, hospitals, hotels, and similar industries. It is one of only three food distribution companies with national distribution and has over 40 facilities in 30 states.

Alliant Foodservice, headquartered in Deerfield, Illinois, is a privately held company owned by Clayton, Dubilier and Rice. It was formerly Kraft Foodservice, which was purchased in 1995. Alliant Foodservice, Incorporated, has exclusive distribution rights to all Kraft products, as well as distribution of hundreds of other brand products.

PROJECT DESCRIPTION:

Alliant Foodservice, Incorporated, currently operates two separate facilities, and leases a third in southeast Michigan. They have an office and warehouse facility in Taylor, a leased freezer in Taylor, and another warehouse facility in Livonia. These facilities are primarily involved in the distribution of food and food related products. Alliant also does some food repackaging at these facilities. There are currently 345 total employees at these facilities. Alliant had the option to locate this project in either Cleveland, Ohio, or Michigan.

Alliant Foodservice, Incorporated, will consolidate and expand its facilities into one 310,000 square foot facility in Lyon Township. This new facility will be owned by Alliant. The project will include new food moving equipment such as electric pallet jacks, fork lifts, and computerized order selection equipment. Capital investment for this project totals \$26.2 million, including \$21 million for the new facility, \$2.2 million for machinery and equipment, and \$3 million for land. The facility will also have extensive refrigeration and freezer systems. As a result of the new facility, Alliant will create 149 new jobs within three years. The average weekly wage is \$750 with a benefit package of 21 percent of payroll.

CURRENT STATUS:

On July 14, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for 15 years. On January 15, 1999, a MEGA credit agreement was signed by the company.

Summary Data Alliant Foodservice, Incorporated

Total Jobs Created	292
Direct	149
Indirect	143
Average Weekly Wage	\$750
Capital Investment	\$26,200,000
Net Positive State Revenue Impact	\$13,962,000
Revenue Forgone	\$4,980,000
Revenue Gain	\$18,942,000
Personal Income Generated Over Life of MEGA Agreement	\$236,775,000
Local Participation	\$3,600,000
Type of Assistance	(infrastructure improvements)

Project Description

Alsons Corporation
42 Union Street
Post Office Box 282
Hillsdale, Michigan 49242
Location of Project: City of Hillsdale, Hillsdale County

HISTORY OF COMPANY:

The Alsons Corporation is the formation of two separate divisions; Mixet, located in Pico River, California, (founded in 1947) and Alsons Corporation, currently located in Hillsdale, Michigan (founded in 1958). The Alsons Corporation was acquired by the Masco Corporation, a world-leading producer of consumer products, in 1987. Alsons Corporation manufactures products under the brand names of Delta Faucet, Peerless, Baldwin Hardware, Merillat (cabinets), Brass-Craft and Hot Spring Spas. Approximately 66 percent of product is sold to the replacement/remodeling market through retail outlets such as Home Depot. Masco is the largest U.S. faucet manufacturer with market share in excess of 35 percent of the American market. Sales for Alsons Corporation product lines reached approximately \$40 million in 1996.

PROJECT DESCRIPTION:

The Alsons Corporation considered its current location, Hillsdale, Michigan, or Somerset, Kentucky, for the location of a new manufacturing facility. This new plant will continue to produce the company's current line of products which includes handheld showers, shower heads, shower hoses, shower accessories and tub/shower valves. The project, as currently structured, will require the company to invest \$13.3 million, in addition to creating 105 net new jobs in Michigan. By choosing the Hillsdale site Alsons Corporation will retain 156 jobs in Michigan. The average weekly wage is approximately \$385. Annual payroll will be approximately \$7.6 million at full production. The company has an employee benefit package that averages approximately 16 percent of payroll.

CURRENT STATUS:

The Michigan Economic Growth Authority approved a MEGA business activity credit of 100 percent for six years for up to 105 new jobs on February 19, 1998. The credit agreement was signed on August 28, 1998.

Summary Data Alsons Corporation

Total Jobs Created	184
Direct	105
Indirect	79
Average Weekly Wage	\$385
Capital Investment	\$13,300,000
Net Positive State Revenue Impact	\$1,840,000
Revenue Forgone	\$2,071,000
Revenue Gain	\$3,911,000
Personal Income Generated Over Life of MEGA Agreement	\$48,889,000
Local Participation	\$1,830,000
Type of Assistance	(tax abatement)

Project Description

Centaur, Incorporated

2401 Front Street

Toledo, Ohio 43605

Location of Project: Bedford Township, Monroe County

HISTORY OF COMPANY:

Centaur, Incorporated, is a Michigan company formed in 1983. It is a holding company that owns, in whole or in part, Heidtman Steel Products, Incorporated, HS Processing L. P., and Mizar Motors, Incorporated, as its largest holdings. The administrative functions of these subsidiaries are located in Michigan, Ohio, and Indiana. Heidtman Steel Products markets all grades and finishes of flat-rolled steel products. The company also has several slitting operations.

PROJECT DESCRIPTION:

Centaur considered consolidation of all administrative functions under one central corporate headquarters location in either Bedford Township (Monroe County), or Toledo, Ohio. This new facility will be up to 30,000 square feet and will cost approximately \$3.3 million for land, building, and office equipment. There are currently 46 employees engaged in headquarter operations in Michigan. With the consolidation, Centaur will relocate 87 jobs from Ohio. An additional 31 employees will be added in the third year of this expansion. If this consolidation had not taken place in Michigan, 46 jobs would have been lost to the Ohio.

CURRENT STATUS:

On October 14, 1998, the Michigan Economic Growth Authority approved an employment credit of 50 percent for 6 years for up to 118 net new jobs.

Summary Data Centaur, Incorporated

Total Jobs Created	185
Direct	118
Indirect	67
Average Weekly Wage	\$828
Capital Investment	\$3,311,000
Net Positive State Revenue Impact	\$4,088,000
Revenue Forgone	\$496,000
Revenue Gain	\$4,584,000
Personal Income Generated Over Life of MEGA Agreement	\$57,304,000
Local Participation	\$380,568
Type of Assistance	(tax abatement, CDBG match)

Project Description

The Coca-Cola Company

One Coca-Cola Plaza

Atlanta, Georgia 30313

Location of Project: Paw Paw Township, Van Buren County

HISTORY OF COMPANY:

The Coca-Cola Company is a world leader in the manufacture, marketing and distribution of soft drink and non-carbonated beverage concentrates, syrups, and finished products. Coca-Cola claims to sell one billion drinks a day. In the company's 112 years it has expanded its operations into nearly 200 countries, employs approximately 30,000, and had a net income for 1997 of over \$4 billion. The company sells primarily to bottling and canning operations and distributors. Through The Minute Maid Company, Coca-Cola manufactures and distributes juice and other non-carbonated beverage products. Coca-Cola currently has a production facility in Paw Paw Township, Michigan, that produces non-carbonated drink products. This facility employs 337 workers.

PROJECT DESCRIPTION:

This project will expand manufacturing operations and warehousing in Paw Paw Township, Michigan. An alternative to this site location would have been Waco, Texas. The company will add three processing lines for a new packaging concept for non-carbonated beverages with a \$31.5 million capital investment. Minute Maid expects to invest more than \$29 million in new equipment and over \$2 million in a new building. The company also expects to create 150 jobs with an average weekly wage of \$579 and a full benefit package.

CURRENT STATUS:

On July 14, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of 20 years for up to 150 net new jobs. On September 10, 1998, a MEGA credit agreement was signed by the company.

Summary Data The Coca-Cola Company

Total Jobs Created	272
Direct	150
Indirect	122
Average Weekly Wage	\$579
Capital Investment	\$31,468,000
Net Positive State Revenue Impact	\$13,137,000
Revenue Forgone	\$3,601,000
Revenue Gain	\$16,738,000
Personal Income Generated Over Life of MEGA Agreement	\$209,228,000
Local Participation	\$2,034,425
Type of Assistance	(tax abatement)

Project Description

Engineered Machined Products, Inc.

2003 North 20th Avenue

Escanaba, Michigan 49829

Location of Project: City of Escanaba, Delta Township

HISTORY OF COMPANY:

Engineered Machined Products, Inc., (EMP) is a privately held company headquartered in Escanaba. The company has quadrupled its employment since 1994. Currently they employ more than 280 people in two adjacent facilities in the city. The company produces machined parts for the automotive industry including crankshaft spindles, water and oil pumps and various other parts for both automobiles and heavy trucks.

The company has experienced rapid growth due to its excellent engineering department and its research and development staff who have redesigned many parts for heavy trucks that reduce the number of parts, weight, and increase serviceability. Due to this growth, the company was considering building a new facility adjacent to the current manufacturing plant in Escanaba or locating a new facility in Greenfield, Indiana, in closer proximity to its main customers in Indiana.

PROJECT DESCRIPTION:

This project will entail building a manufacturing facility and offices to house research and development. The facility will be approximately 80,000 square feet. Capital investment is expected to be \$3 million for the building and an additional \$2.25 million for equipment over the first three years of the project. This expansion will create at least 75 jobs initially and will lead to a total of up to 175 jobs within five years with an average weekly wage of \$457. If this facility is located in Escanaba, the jobs created will be covered by a union contract, with full benefits.

CURRENT STATUS:

On October 14, 1998 the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of five years and 50 percent for the next 12 years, for up to 175 net new jobs. The credit agreement was signed December 15, 1998.

Summary Data Engineered Machined Products, Inc.

Total Jobs Created	304
Direct	175
Indirect	129
Average Weekly Wage	\$457
Capital Investment	\$5,250,000
Net Positive State Revenue Impact	\$14,280,000
Revenue Forgone	\$2,053,000
Revenue Gain	\$16,333,000
Personal Income Generated Over Life of MEGA Agreement	\$204,162,000
Local Participation	\$708,000
Type of Assistance	(tax abatement)

Project Description

Howmet International Corporation

Whitehall Castings Division

One Misco Drive

Whitehall, Michigan 49461

Location of Project: City of Whitehall, Muskegon County

HISTORY OF COMPANY:

Whitehall Castings Division is a part of Howmet International. Howmet employs more than 10,000 worldwide. Whitehall Castings, established in 1948, employs 2,405 in West Michigan. Whitehall Castings produces precision cast parts for aircraft engines for both military and commercial use. The company is also involved in aerospace parts production for propulsion units. Howmet has traditionally been the largest employer in Whitehall. Since a downsizing in the 1980's, the company has been stable and slowly growing. A MEGA credit was awarded in April 1997 to Sprayform Technologies, a Howmet joint venture, that is also located in Whitehall. This new project will continue to build employment towards the employment peak experienced in the past.

PROJECT DESCRIPTION:

This project, a competition between existing Howmet facilities in Texas and Whitehall, will invest over \$52.8 million in buildings, machinery, and equipment. At full employment, this new facility, on the Howmet campus, will create up to 580 net new jobs in addition to the existing 2,405 jobs as the base employment. This facility will be built to meet expected demand for commercial and military needs for jet engines. The new jobs at this facility will pay an average weekly wage of \$475 and have a full benefit package. This is a unionized facility. Without this expansion in Whitehall, the Howmet facilities here would be at a competitive disadvantage for future work because of capacity limitations.

CURRENT STATUS:

On October 28, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of 20 years and a business activity credit of 100 percent for a period of 20 years, for up to 580 net new jobs. The credit agreement was signed December 15, 1998.

Summary Data Howmet International Corporation

Total Jobs Created	1,566
Direct	580
Indirect	986
Average Weekly Wage	\$475
Capital Investment	\$52,820,000
Net Positive State Revenue Impact	\$78,182,000
Revenue Forgone	\$18,706,000
Revenue Gain	\$96,888,000
Personal Income Generated Over Life of MEGA Agreement	\$1,211,097,000
Local Participation	\$4,854,203
Type of Assistance	(tax abatement)

Project Description

Kmart Corporation
3100 West Big Beaver Road
Troy, Michigan 48084
Location of Project: City of Troy, Oakland County

HISTORY OF COMPANY:

Kmart is a Michigan-based discount retailer that grew out of the old Kresge chain and has diversified into broader markets than the traditional "five and dime" - including automotive, fashion and other areas. The company went through difficult times in the past and has recently refocused on its core business by selling other portions of its business, such as Borders Group, OfficeMax, the Sports Authority, and Builders Square. The company has repositioned itself in the marketplace and now operates more than 2,100 retail outlets in the United States, Puerto Rico, the U. S. Virgin Islands and Guam. Kmart is once again a strong presence in retail merchandising.

PROJECT DESCRIPTION:

Kmart wanted to relocate and expand its data processing department. The department is currently in the basement of the Kmart headquarters in Troy and cannot expand within that facility. The project will affect 300 existing jobs in Michigan and will expand the workforce by 425. The company also considered a location in Kentucky. Investment for this project will be approximately \$102.4 million. Of this amount, \$13.9 million is for the building, \$86.5 million for equipment and the rest for land and relocation costs. The company expects to reinvest about \$80 million in computer equipment every three years. The 425 jobs created will pay an average weekly wage of \$855 with a benefit package of 29 percent of wages.

CURRENT STATUS:

On May 12, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of 20 years for up to 425 net new jobs. On June 22, 1998, Kmart signed a MEGA credit agreement.

Summary Data Kmart Corporation

Total Jobs Created	717
Direct	425
Indirect	292
Average Weekly Wage	\$855
Capital Investment	\$102,410,000
Net Positive State Revenue Impact	\$35,823,000
Revenue Forgone	\$14,366,000
Revenue Gain	\$50,189,000
Personal Income Generated Over Life of MEGA Agreement	\$627,353,000
Local Participation	\$450,000
Type of Assistance	(improvements to land)

Project Description

L & W, Inc.
6301 Haggerty Road
Belleville, Michigan 48111
Location of Project: City of Blissfield, Lenawee County

HISTORY OF COMPANY:

L & W, Inc., is a manufacturer of automotive metal stampings and welded assemblies. The company originated in Michigan in 1973. The company currently employs 1,204 people located in several communities in Michigan: Belleville, Holland, Beaverton, and Redford. It is a privately held company and is a tier one supplier to the Big Three.

L & W, Inc., was awarded a large contract to supply the Toledo Jeep plant with floor pan assemblies for the 2000 model. This contract requires the company to build a new facility as it does not have the capacity in any of its existing facilities to accommodate the project. The company had started to build the facility in Delta, Ohio, near Toledo, when a Michigan Jobs Commission account manager visit prompted the company to consider Michigan for the facility. A stipulation from Jeep was that the facility had to be within a 50-mile radius of its Toledo plant to meet just-in-time sequencing demands.

PROJECT DESCRIPTION:

This project involves construction of a new manufacturing facility that can be expanded as other manufacturing contracts are generated. Within a five-year period, the facility will total 330,000 square feet. Total investment over this five-year period in plant and equipment will be \$50.1 million. Employment will reach 340 by the end of the sixth year of operation. The company will pay average weekly wages of \$410 and a fringe benefit package totaling 27 percent of wages.

CURRENT STATUS:

On September 17, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for years one through twelve and 50 percent for year thirteen for up to 340 net new jobs. On September 25, 1999, a MEGA credit was signed by the company.

Summary Data L & W, Inc.

Total Jobs Created	662
Direct	340
Indirect	322
Average Weekly Wage	\$410
Capital Investment	\$50,050,000
Net Positive State Revenue Impact	\$25,337,000
Revenue Forgone	\$3,113,000
Revenue Gain	\$28,450,000
Personal Income Generated Over Life of MEGA Agreement	\$355,620,000
Local Participation	\$5,489,318
Type of Assistance	(tax abatement, CDBG match)

Project Description

P & A Industries, Inc.

523 Detroit Avenue

Monroe, Michigan 48162

Location of Project: Monroe Township, Monroe County

HISTORY OF COMPANY:

P & A Industries, Inc., is a manufacturer of metal stampings and assemblies. The corporation was established in 1956 in Monroe, Michigan. The corporate office is currently residing at its original site in Monroe. In addition to the corporate office, P & A Industries, Inc., operates a metal stamping facility in Toledo, Ohio, which employs 230 employees. P & A also provides corporate, engineering and prototyping services to Midway Products Corporation, which operates five manufacturing facilities employing approximately 900 at various locations in Ohio and Indiana. P & A's primary customer is Ford Motor Company.

PROJECT DESCRIPTION:

Due to increased sales, the company is required to expand and relocate the corporate headquarters. The current facility does not meet the current or future needs of the company, both in functionality and in size. The current facility was designed as a manufacturing operation, which the company has tried to convert into workable office space. They have run out of room and the site is landlocked. To resolve this situation, the company will build a new 60,000 square foot corporate headquarters, research and development, and prototyping facility in Monroe Township, Michigan. The alternate location was Toledo, Ohio. This new facility will retain the company's 65 current workers, as well as create up to 130 new professional, technical, engineering, and clerical positions within the next three years. The average weekly wage of these jobs will be at least \$689.

CURRENT STATUS:

On August 11, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 75 percent for a period of 15 years for up to 130 net new jobs and a business activity credit of 75 percent for a period of four years. A MEGA credit agreement was signed August 11, 1998.

Summary Data P & A Industries, Inc.

Total Jobs Created	186
Direct	130
Indirect	56
Average Weekly Wage	\$689
Capital Investment	\$8,151,000
Net Positive State Revenue Impact	\$8,831,000
Revenue Forgone	\$2,098,000
Revenue Gain	\$10,929,000
Personal Income Generated Over Life of MEGA Agreement	\$136,615,000
Local Participation	\$451,778
Type of Assistance	(tax abatement)

Project Description

Pollard (U. S.) Ltd.

1499 Buffalo Place

Winnipeg, Manitoba Canada R3T 1L7

Location of Project: Ypsilanti Township, Washtenaw County

HISTORY OF COMPANY:

Pollard Banknote Limited purchased Webcraft Technologies, Inc., in 1996. Webcraft operates an instant lottery ticket printing facility in Ypsilanti Township, Michigan, which currently employs 112 people. Due to increased sales projections in both U.S. and international lottery markets, Pollard Banknote found it necessary to increase capacity and improve and update existing technology. Pollard's current customers served by its Ypsilanti facility include the states of Michigan, Ohio, and Iowa, as well as Israel, Romania, United Kingdom, Ireland and South Africa. Pollard is the third largest printer of instant lottery tickets in the world.

PROJECT DESCRIPTION:

This project involved building a new 50,000 square foot manufacturing facility in either Ypsilanti Township, Michigan, or Cedar Rapids, Iowa. Total investment is anticipated at \$8.1 million. The project will create 124 new jobs within three years, as well as retain the 112 workers now employed in Ypsilanti. The average weekly wage of existing workers is \$489; new workers will be paid an average of \$461 per week. In addition, the company provides employees with a benefit package equal to 30 percent of wages.

CURRENT STATUS:

On May 28, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 75 percent for a period of 12 years for up to 124 net new jobs, and a business activity credit of 50 percent for a period of 10 years. A MEGA credit agreement was signed on July 27, 1998.

Summary Data Pollard (U.S.) Ltd.

Total Jobs Created	204
Direct	124
Indirect	80
Average Weekly Wage	\$461
Capital Investment	\$8,050,000
Net Positive State Revenue Impact	\$4,639,000
Revenue Forgone	\$2,271,000
Revenue Gain	\$6,910,000
Personal Income Generated Over Life of MEGA Agreement	\$86,372,000
Local Participation	\$1,213,458
Type of Assistance	(tax abatement)

Project Description

Robert Bosch Corporation

2800 South 25th Avenue

Broadview, Illinois 60153

Location of Project: City of Farmington Hills, Oakland County

HISTORY OF COMPANY:

The Robert Bosch Corporation is a global company with approximately 176,000 employees worldwide and total revenues of \$26.6 billion. The company serves primarily the automotive market through the manufacture and sale of high quality, high technology original equipment components/ systems for passenger cars and commercial vehicles. The company was established in 1953 as a U.S. subsidiary of Robert Bosch GmbH. The Robert Bosch Corporation currently has 19 facilities operating in Michigan. There are 2,656 employees at these Michigan facilities.

PROJECT DESCRIPTION:

The Robert Bosch Corporation will construct and furnish a research and development facility in Farmington Hills. The new 258,000 square foot facility, in addition to being an research and development facility, will serve as headquarters for the Bosch Braking Systems Corporation (BBSC), a new subsidiary of the Robert Bosch Corporation. BBSC came about as the result of the Bosch Group acquiring the hydraulic brake business for passenger car and light and mid-size commercial vehicles from Allied Signal, Inc., in April 1996.

The Robert Bosch Corporation will invest approximately \$37 million for the new building and related infrastructure improvements which will include a new parking lot, retention basin, new underground piping and landscaping. Another \$2 million will be spent on furniture and fixtures. When completed and fully staffed in the year 2002, it is expected that 475 net new jobs will be created. This is in addition to the 95 jobs that will be retained. The average weekly wage is approximately \$1,283. Annual payroll will exceed \$35 million when the facility is operational and fully staffed. Employee benefits equate to 23 percent of payroll.

As an alternative to locating in Farmington Hills, the Robert Bosch Corporation considered expansion at its existing automotive facility in South Bend, Indiana.

CURRENT STATUS:

On February 19, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for 15 years for up to 475 new jobs and a business activity credit of 50 percent for years 1 through 3 and 100 percent for years four and five. The credit agreement was signed March 16, 1998.

Summary Data Robert Bosch Corporation

Total Jobs Created	826
Direct	475
Indirect	351
Average Weekly Wage	\$1,283
Capital Investment	\$37,000,000
Net Positive State Revenue Impact	\$55,521,000
Revenue Forgone	\$20,824,000
Revenue Gain	\$76,345,000
Personal Income Generated Over Life of MEGA Agreement	\$954,315,000
Local Participation	\$1,536,765
Type of Assistance	(tax abatement)

Project Description

Scott Technologies
1201 Kalamazoo Street
South Haven, Michigan

Location of Project: City of South Haven, Van Buren County

HISTORY OF COMPANY:

Scott Technologies was founded in 1932 by Karle Scott in Lancaster, New York. The company originally produced tail wheel assemblies for airplanes. The business expanded into other hardware for aircraft. World War II made the business a success. Following the war, the company developed new safety products including oxygen packs for both military and civilian airplanes. The company was purchased by Figgie International in 1967. The company continued to expand the breathing apparatus business into fire safety, escape systems, and chemical and particulate filter masks. Figgie changed its name in May 1998 to Scott Technologies to reflect its concentration in the breathing apparatus and safety business. Scott Technologies has operated a facility in South Haven, Michigan since 1963. This facility currently employs 56 people.

PROJECT DESCRIPTION:

This expansion project will be located at Scott Technologies' facility in South Haven. The company will invest more than \$1 million in new machinery and equipment and invest further in leasehold improvements to either building. This expansion will create up to 92 new jobs with an average weekly wage of \$445. Scott Technologies wanted to expand into an existing facility in either South Haven, or Elkhart, Indiana.

CURRENT STATUS:

On November 17, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 50 percent for a period of ten years for up to 92 net new jobs. The credit agreement was signed on March 10, 1999.

Summary Data Scott Technologies

Total Jobs Created	165
Direct	92
Indirect	73
Average Weekly Wage	\$445
Capital Investment	\$1,000,000
Net Positive State Revenue Impact	\$5,085,000
Revenue Forgone	\$391,000
Revenue Gain	\$5,476,000
Personal Income Generated Over Life of MEGA Agreement	\$68,450,000
Local Participation	\$64,500
Type of Assistance	(tax abatement)

Project Description

Smiths Industries Aerospace
4141 Eastern Avenue, SE
Grand Rapids, Michigan 49518-8727
Location of Project: Cascade Township, Kent County

HISTORY OF COMPANY:

Smiths Industries, a British-owned company, has its United States headquarters in Wyoming, Michigan. The company is a major supplier of avionics systems for commercial and defense uses. Currently, the company employs 859 in Michigan. In the past, the company has employed as many as 1,200 in Michigan. The company had experienced a severe down-turn in the aerospace industry in the past and has reached an employment plateau at the current level. The company is moving from a 32 year old building in Wyoming to a smaller facility in Cascade Township that better reflects the company's size and efficiency requirements and the company's high tech image.

PROJECT DESCRIPTION:

This expansion involves the transfer of certain research and development functions from Florham Park, New Jersey, to Cascade Township. The expansion will result in the addition of up to 105 engineers and technicians in Grand Rapids. Average weekly wage for these new jobs will be at least \$1,390 with a benefit package of approximately 25 percent of wages. Investment in building renovations will be about \$10 million with additional equipment purchases of approximately \$7.5 million. Costs for recruitment of 105 new aerospace engineers and technicians to Michigan are estimated to be \$6.7 million greater than in New Jersey because of the scarcity of these specialized skills in Michigan, the concentration of related facilities in New Jersey, and the perception of Michigan as outside of the aerospace industry sphere.

CURRENT STATUS:

On February 19, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for 10 years and a business activity credit of 100 percent for 10 years for up to 105 net new jobs. The credit agreement was signed on April 22, 1998.

Summary Data Smiths Industries Aerospace

Total Jobs Created	233
Direct	105
Indirect	128
Average Weekly Wage	\$1,390
Capital Investment	\$7,450,000
Net Positive State Revenue Impact	\$7,816,000
Revenue Forgone	\$4,225,000
Revenue Gain	\$12,041,000
Personal Income Generated Over Life of MEGA Agreement	\$150,510,000
Local Participation	\$425,310
Type of Assistance	(tax abatement)

Project Description

Spicer Heavy Axle and Brake Division
(Dana Corporation - Heavy Truck Components Group)
8000 Yankee Road
Ottawa Lake, Michigan
Location of Project: Texas Township, Kalamazoo County

HISTORY OF COMPANY:

Dana Corporation is a publicly traded company. Its predecessor, Spicer Manufacturing Corporation was founded in 1904. The company manufactures and markets vehicular components and industrial components. Eighty percent of sales are in the vehicular market for trucks, SUVs, trailers, vans and automobiles. Twenty percent of its market is in industrial components such as off-road vehicles and stationary industrial equipment. Dana has facilities in several European countries and employs more than 46,000 worldwide. The company has grown steadily through acquisition and increased sales. Dana has traditionally enjoyed excellent cash flow and is well positioned for future growth. Recently, the company acquired portions of Eaton Corporation and is consolidating some research and development operations. Spicer Heavy Axle and Brake is a division of Dana Corporation engaged in research and development and the manufacturing of components for trucks and other heavy equipment.

PROJECT DESCRIPTION:

This project will move research and development activities from Fort Wayne, Indiana, to Texas Township, near Kalamazoo. Alternately, the company would have moved both the Michigan and Indiana operations to the Lexington, Kentucky area to be closer to the manufacturing segments of this division. This project will consolidate these activities at a single location and provide the company with greater synergy and cost savings. The project will invest approximately \$15 million in a new building and equipment and result in the addition of 203 new jobs to Michigan operations. The average wage will be \$1,000 per week with a full benefit package.

CURRENT STATUS:

On March 4, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of twenty years for up to 203 net new jobs and a 100 percent business activity credit for a period of five years. On May 7, 1998, the credit agreement was signed.

Summary Data Dana Corp.

Total Jobs Created	340
Direct	203
Indirect	137
Average Weekly Wage	\$1,000
Capital Investment	\$15,000,000
Net Positive State Revenue Impact	\$26,386,000
Revenue Forgone	\$8,970,000
Revenue Gain	\$35,356,000
Personal Income Generated Over Life of MEGA Agreement	\$441,944,000
Local Participation	\$1,900,000
Type of Assistance	(tax abatement)

Project Description

TruMack Assembly, LLC

1820 Sunset Avenue

Lansing, Michigan 48917

Location of Project: City of Detroit, Wayne County

HISTORY OF COMPANY:

TruMack Assembly, LLC, (TruMack) is a joint venture between Trumark, Incorporated, of Lansing, Michigan and Mackie Automotive Systems, Incorporated, of Oshawa, Ontario. Trumark, Incorporated, is a certified minority-owned company and a tier one supplier of metal stampings and welded assemblies to Chrysler, Ford, and General Motors. Mackie Automotive Systems is a supplier of sub-assemblies and sequenced parts, primarily for General Motors Corporation. Mackie Automotive Systems has 15 plants in North America and other parts of the world.

PROJECT DESCRIPTION:

TruMack Assembly, LLC, has been awarded a ten-year contract to manufacture class A motor home chassis by Ford Motor Company. Presently this work is being completed in Monterrey, Mexico. TruMack Assembly, LLC, was considering Elkhart, Indiana or the Lynch Road Renaissance Zone site in the City of Detroit. The project will involve construction of a new 210,000 square foot facility on 20 acres of land. Total investment is estimated at \$26.4 million and job creation will total 345 within four years. The average weekly wage is estimated at \$480. Annual payroll at the new facility will be approximately \$8.6 million at full production. The company's employee benefit plan will average approximately 37 percent of total payroll.

Relocation of this project from Mexico to the Detroit Renaissance Zone could bring parts and sub-components currently sourced in Mexico to Michigan suppliers. A Michigan based facility may also allow Ford to expand "rolling chassis" capability into market segments beyond motor homes. Trumark, Incorporated, of Lansing would acquire significant new stamping work, requiring expansion of its current facility and additional job creation.

CURRENT STATUS:

On October 28, 1998, the Michigan Economic Growth Authority approved a MEGA employment credit of 100 percent for a period of 20 years for up to 345 net new jobs and a business activity credit of 100 percent for years 8 through 10. On September 20, 1999, the company signed a MEGA credit agreement.

Summary Data TruMack Assembly, LLC

Total Jobs Created	477
Direct	345
Indirect	132
Average Weekly Wage	\$480
Capital Investment	\$26,400,000
Net Positive State Revenue Impact	\$20,797,000
Revenue Forgone	\$8,071,000
Revenue Gain	\$28,868,000
Personal Income Generated Over Life of MEGA Agreement	\$360,856,000
Local Participation	\$1,813,719
Type of Assistance	(tax abatement)

Project Description

Wollin Products, Inc.
4295 North Roosevelt Road
Stevensville, Michigan 49127
Location of Project: City of Charlotte, Eaton County

HISTORY OF COMPANY:

Wollin Products, Inc., is a custom injection molder of plastic components with customers in a number of industries, the primary ones being automotive and appliances. Wollin Products, Inc., was started in 1957 in Stevensville, Michigan. As the company grew it opened two additional plants in Stevensville, and today these three Michigan plants have a total of 463 employees. In 1986, Wollin built a new 45,000 square foot plant in Clyde, Ohio, with 30 employees. Due to growth and expansion, the company now has 441 employees in Ohio, and the building now has a total of 240,000 square feet.

Capacity and employment constraints in the company's existing plants in Michigan and Ohio have necessitated an additional plant. The work performed in this new plant will be similar to that performed in the existing facilities but will require larger, more state-of-the-art injection molding machines and auxiliary equipment.

PROJECT DESCRIPTION:

Wollin Products, Inc., chose Charlotte, Michigan, over Angola, Indiana, for the construction of a 100,000 square foot manufacturing facility to be situated on approximately 12 acres of land. In addition, the company will acquire 10 new molding machines plus related auxiliary equipment in the first year and, by the end of the third year, will have 20 new molding machines plus equipment. Total investment is estimated at \$13.8 million and job creation will total 150 within three years. Choosing the Charlotte site will also retain the 463 current jobs at the company's Stevensville facility. The average weekly wage is estimated at \$388. Annual payroll at the new facility will be approximately \$3.8 million at full production. The company has an employee benefit plan that averages approximately 25 percent of payroll.

CURRENT STATUS:

On March 4, 1998, the Michigan Economic Growth Authority approved an employment credit of 100 percent for a period of six years, 75 percent for a period of five years and 50 percent for a period of nine years for up to 150 net new jobs, and a 100 percent business activity credit for a period of five years. The company signed a credit agreement on April 23, 1998.

Summary Data Wollin Products, Inc.

Total Jobs Created	252
Direct	150
Indirect	102
Average Weekly Wage	\$388
Capital Investment	\$13,825,000
Net Positive State Revenue Impact	\$11,423,000
Revenue Forgone	\$2,498,000
Revenue Gain	\$13,921,000
Personal Income Generated Over Life of MEGA Agreement	\$174,011,000
Local Participation	\$1,560,000
Type of Assistance	(tax abatement, discounted land)

**Michigan Economic Development Authority
Project Summary Data**

	TOTALS	Smiths Industries 02/19/98	Alsons Corp. 02/19/98	Robert Bosch 02/19/98	Wollin Products 03/04/98	Dana Corp 03/04/98	Kmart Corp 05/12/98	Pollard (U.S.) Ltd. 05/28/98	AAR Corp 06/19/98	Alliant 07/14/98	The Coca-Cola Company 07/14/98	P & A Industries 08/11/98	L & W Inc. 09/17/98	Centuar Inc. 10/14/98	Engineered Machined Products 10/14/98	Trumack Assembly 10/28/98	Howmet International 10/28/98	Scott Technologies 11/17/98
Date of Approval																		
Total Jobs Created	7312	233	184	826	252	340	717	204	447	292	272	186	662	185	304	477	1566	165
Direct	3966	105	105	475	150	203	425	124	300	149	150	130	340	118	175	345	580	92
Indirect	3346	128	79	351	102	137	292	80	147	143	122	56	322	67	129	132	986	73
Average Weekly Wage (Direct Jobs)	\$668	\$1,390	\$385	\$1,283	\$388	\$1,000	\$855	\$461	\$479	\$750	\$579	\$689	\$410	\$828	\$457	\$480	\$475	\$445
Capital Investment	\$413,985,000	\$7,450,000	\$13,300,000	\$37,000,000	\$13,825,000	\$15,000,000	\$102,410,000	\$8,050,000	\$12,300,000	\$26,200,000	\$31,468,000	\$8,151,000	\$50,050,000	\$3,311,000	\$5,250,000	\$26,400,000	\$52,820,000	\$1,000,000
Net Positive State Revenue Impact	\$351,303,000	\$7,816,000	\$1,840,000	\$55,521,000	\$11,423,000	\$26,386,000	\$35,823,000	\$4,639,000	\$24,156,000	\$13,962,000	\$13,137,000	\$8,831,000	\$25,337,000	\$4,088,000	\$14,280,000	\$20,797,000	\$78,182,000	\$5,085,000
Revenue Foregone	\$104,777,000	\$4,225,000	\$2,071,000	\$20,824,000	\$2,498,000	\$8,970,000	\$14,366,000	\$2,271,000	\$6,043,000	\$4,980,000	\$3,601,000	\$2,098,000	\$3,113,000	\$496,000	\$2,053,000	\$8,071,000	\$18,706,000	\$391,000
Revenue Gain	\$456,080,000	\$12,041,000	\$3,911,000	\$76,345,000	\$13,921,000	\$35,356,000	\$50,189,000	\$6,910,000	\$30,199,000	\$18,942,000	\$16,738,000	\$10,929,000	\$28,450,000	\$4,584,000	\$16,333,000	\$28,868,000	\$96,888,000	\$5,476,000
Personal Income Generated Over Life of MEGA Agreement	\$5,700,981,000	\$150,510,000	\$48,889,000	\$954,315,000	\$174,011,000	\$441,944,000	\$627,353,000	\$86,372,000	\$377,480,000	\$236,775,000	\$209,228,000	\$136,615,000	\$355,620,000	\$57,304,000	\$204,162,000	\$360,856,000	\$1,211,097,000	\$68,450,000
Local Participation	\$29,615,340	\$425,310	\$1,830,000	\$1,536,765	\$1,560,000	\$1,900,000	\$450,000	\$1,213,458	\$1,728,606	\$3,600,000	\$2,034,425	\$451,778	\$5,489,318	\$380,568	\$708,000	\$1,813,719	\$4,854,203	\$64,500
Type of assistance			tax abatement	tax abatement	tax abatement, discounted land	tax abatement	improvements to land	tax abatement	tax abatement	infrastructure improvements	tax abatement	tax abatement	tax abatement, CDBG match	tax abatement, CDBG match	tax abatement	tax abatement	tax abatement	tax abatement