

MEMORANDUM

DATE: January 22, 2009
TO: Michigan Economic Growth Authority
FROM: Amy Deprez, Packaging Team Manager
Portfolio Management & Packaging
SUBJECT: Briefing Memo – Atwell-Hicks, LLC
High-Technology MEGA Credit

COMPANY NAME:

Atwell-Hicks, LLC
500 Avis Drive, Suite 100
Ann Arbor, Michigan 48108

HISTORY OF COMPANY:

Atwell-Hicks, LLC, a Land Development Consulting firm, was started in 1905 in Ann Arbor and now has offices in eight states and South Korea. Atwell provides land planning, engineering, surveying and environmental services to the land development community. Due to recent downturns in the residential and commercial development markets, the company has restructured their business model and has identified Alternative Energy, specifically supporting Wind Farm location, design and construction, as a potential market.

Currently, the company has 116 associates in Michigan.

PROJECT DESCRIPTION:

In response to a changing environment, Atwell is fast becoming a nationally recognized leader in the Alternative Energy Area, namely Wind Power Energy Production and Energy Transmission Corridors for Wind Power Farms. The company is currently looking for a location to house its new Energy Market Group. The group will coordinate activities and design projects for both local and national sites.

Atwell Hicks is considering either expanding their current facility in Pittsfield Township or a site in the City of Ann Arbor for the chosen project site. Total capital investment associated with this project will be approximately \$5 million, and approximately 131 new jobs will be created, paying an average weekly wage of \$815. The company will also offer health care benefits and pay a portion of the benefit costs.

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of 239 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs and adjusted for inflation, would be increased by \$3 million (2008 dollars) due to the presence of this facility.

BUSINESS CASE:

Alternatively, the company has considered Nashville, Tennessee to locate the new energy group and the current Ann Arbor headquarters. The company has an office in Nashville and has identified taxes, labor and facility costs as disadvantages to Michigan. Further, Tennessee offers a headquarters relocation credit that would be very beneficial to Atwell.

OTHER STATE AND LOCAL ASSISTANCE:

Both the City of Ann Arbor and Pittsfield Township are supportive of this project and depending on which site is chosen the appropriate municipality will offer the company either a PA 198 Property Tax Abatement or the payment of their MEGA application fee. The company will be able to decide which is more valuable to them.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY:

The company is a qualified high-technology business, whose primary business activity is Alternative Energy Technology, as defined in the Act.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent seven year high technology employment tax credit for up to 131 net new employees, in addition to an established employment base of 121.