



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

DATE: September 20, 2005

TO: Michigan Economic Growth Authority

FROM: Jim Donaldson, Vice President
Michigan Business Development *[Signature]*

SUBJECT: Briefing Memo – Comcast of Willow Grove, Inc.
Standard Credit

COMPANY NAME AND ADDRESS:

Comcast of Willow Grove, Inc.
1500 Market Street, 36th Floor
Philadelphia, Pennsylvania 19102

HISTORY OF COMPANY:

Comcast of Willow Grove, Inc. is a subsidiary of Comcast Corporation, the nation's leading provider of cable, entertainment and communication products and services. The company currently serves more than 21.5 million cable subscribers, more than 7.7 million high speed internet customers and 1.2 million cable telephone subscribers. The company currently has 3,525 employees in Michigan.

PROJECT DESCRIPTION:

Comcast would like to expand their current Sterling Heights call center in order to field calls currently routed to a call center in St. Paul, Minnesota. The expanded call center will handle calls related to cable and high speed internet primarily from customers in Lansing and Grand Rapids. In order to accommodate this growth, Comcast is proposing to expand their Sterling Heights facility by 18,000 square feet. The planned project will create 200 new jobs, paying an average weekly wage of \$528, not including overtime, commissions and bonuses.

The expansion would require an investment of \$4.5 million, including \$3.0 million for building costs and \$1.5 million for new office furniture and computers. Construction would begin this fall, with an expected completion of the expansion next summer.

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LANSING, MI 48913

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BENEFIT TO STATE:

According to the economic analysis done by the University of Michigan, we estimate this facility will generate a total 292 jobs in the state by the year 2017. Total state government revenues through the year 2017, net of MEGA costs and adjusted for inflation, would be increased by \$7.6 million (2005 dollars) due to the presence of this facility.

BUT FOR:

In addition to Sterling Heights, Comcast is also considering an existing call center in Indianapolis, Indiana for this expansion. A cost comparison between the two locations identified lower operational costs in Indianapolis due to wages and utilities. The cost savings estimated due to the wage differential is approximately five percent or \$125,000 per year. The utility differential is approximately 15 percent, or about \$20,000 per year. In addition, the company will see substantial corporate tax savings in Indiana because the facility is a non-revenue producing center and expenditures can be credited to other entities allowing for corporate tax savings. These savings are estimated at \$600,000 per year.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Sterling Heights has offered \$31,500 in city resources to assist Comcast with the recruitment of new employees. Services offered include use of the recreation center at no cost to host three job fairs. The city will also provide advertising of the job fairs in their local Sterling Heights Magazine and also on the local cable channel.

Macomb Community College will also provide assistance to Comcast for the recruitment of new employees. The college is prepared to provide pre-employment screening and testing services, including the WorkKeys System and other corporate testing services such as Bennett Battery and Differential Aptitude Testing. The value of these services is estimated to exceed \$17,000.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 12 years, for up to 200 net new jobs.