



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

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CUSTOMER  
ASSISTANCE CENTER  
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**Date:** May 19, 2009  
**To:** Michigan Economic Growth Authority  
**From:** Amy Deprez, Manager  
Packaging Team  
Marcia Gebarowski, Project Specialist  
Packaging Team  
**Subject:** Briefing Memo – Energy Components Group LLC  
High-Technology MEGA Credit

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**COMPANY NAME**

Energy Components Group LLC  
2301 E. Industrial Drive  
St. Clair Shores, MI 48080

**HISTORY OF COMPANY**

Energy Components Group LLC (ECG) was created in 2008 in an effort to diversify out of the automotive industry and into the alternative energy sector. ECG has been successful in transitioning engineering and design experience in the transportation industry to the unique and specific needs of customers in the alternative energy sector.

ECG currently has 2 employees in Michigan.

**PROJECT DESCRIPTION**

ECG is currently searching for a facility in which to expand their research and development and manufacturing capabilities. A potential site has been identified in the City of St. Clair, St. Clair County.

ECG will invest approximately \$21.1 million and create 250 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$591. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

**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 513 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$7.7 million (current dollars) due to the presence of this facility.

**BUSINESS CASE**

The company is also considering a facility in Dona Ana, New Mexico. This alternative location is in close proximity to their customer. The benefit of locating in the Southwest is lower transportation costs with their customer base as well as lower costs of doing business (ie; lower utility rates and lower wage rates).

#### **OTHER STATE AND LOCAL ASSISTANCE**

The City of St. Clair and St. Clair County are supportive of this project and anticipate the approval of a Renewable Energy Renaissance Zone for this project.

The MEDC has also approved training funds for the project through its Economic Development Job Training program. The MEDC will provide an employee training grant of up to \$1,000 per job for the new jobs expected to be hired in the first two years of the project. This training grant could be worth up to a maximum of \$250,000.

#### **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 200 percent high-technology employment tax credit for years one through three, followed by a 100 percent employment tax credit for years four through seven for up to 250 net new employees in excess of the company's established base of 47.