

MEMORANDUM

DATE: July 15, 2008

TO: Michigan Economic Growth Authority

FROM: Val Hoag, Director
Portfolio Management & Packaging

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Portfolio Management & Packaging

SUBJECT: Briefing Memo – Evergreen Solar, Inc.
High-Technology MEGA Credit

COMPANY NAME:

Evergreen Solar, Inc.
138 Bartlett St.
Marlborough, MA 01752

HISTORY OF COMPANY:

Evergreen Solar, Inc., founded in 1994, develops, manufactures, and sells solar power products, primarily solar panels, that provide reliable and environmentally clean electric power throughout the world. The solar panels produced by Evergreen Solar, Inc. incorporate proprietary crystalline silicon technology known as String Ribbon wafer production. This method uses half the silicon of conventional methods. The three markets the company serves are wireless power, rural electrification, and grid-connected applications.

The company does not currently have any employees in Michigan.

PROJECT DESCRIPTION:

The proposed project will be a new facility in the City of Midland. This facility will create a product that commercializes an alternative energy technology. This production at this facility will create string for the company's proprietary string-ribbon wafer technology.

The new facility will be Evergreen Solar's first facility in Michigan and will result in the creation of 38 new jobs in the first year of operation and 101 jobs over the next five years. The average weekly wage of the newly created jobs is \$863. The company will also offer healthcare benefits, and pay a portion of the benefit costs.

The company will make a total capital investment of \$55 million for this project.

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 596 jobs in the state by the year 2018. Total state government revenues through the year 2018, net of MEGA costs and adjusted for inflation, would be increased by \$18.5 million (2008 dollars) due to the presence of this facility.

BUSINESS CASE:

Evergreen Solar, Inc. also looked at competing sites in Massachusetts for this project. The company's primary U.S. manufacturing is located in Massachusetts which is 700 to 800 miles away from Midland. The Midland location will result in higher freight and travel costs, longer lead times, and will require the hiring of additional management and staff resources.

In addition, if the plant were located in Massachusetts it would be at an existing Evergreen Solar facility which would result in zero land cost for the company.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Midland supports this project and approved of property tax abatement for a period of up to 12 years under PA 198 of 1974 on June 23, 2008.

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 high-technology employment tax credit for 10 years, for up to 101 net new employees.