



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

DATE: October 19, 2004  
TO: Michigan Economic Growth Authority  
FROM: James Donaldson, Vice President  
Michigan Business Development  
SUBJECT: Briefing Memo – Grupo Antolin Michigan, Inc.  
Rural MEGA Credit

COMPANY NAME AND ADDRESS:

Grupo Antolin Michigan, Inc.  
6300 Euclid Street  
Marlette, Michigan 48453

HISTORY OF COMPANY:

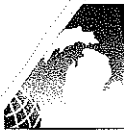
Grupo Antolin Michigan, Inc. is a supplier of automotive interior trim components and systems to the automotive industry. Grupo Antolin - Irausa is a privately held company headquartered in Burgos, Spain. The company has 62 locations world wide with 42 manufacturing, 15 assembly and logistic centers, and 5 Technical Centers (the most recent in Troy, MI). They are also a minority partner in an assembly and sequencing center in Wayne, MI.

In April, 2003 the company was awarded a MEGA credit for up to 214 new employees to begin operations at a former Lear Seating facility in Marlette. Extensive renovations of the facility have been completed, production activities are well underway, and the company currently employs 140 at the Marlette facility.

PROJECT DESCRIPTION:

The company recently has been offered new opportunities in the assembly of modular headliner systems that may also lead to growth into injection molding of commodities used across the company. The company will supply the GMX 211, produced at the General Motors facility in Oshawa, Ontario. The Marlette facility manufactures the raw materials for this product, but the company generally assembles and sequences close to the final assembly facility to avoid shipping damage and to manage broadcast requirements. The Marlette facility has devised new shipping racks that will make assembly and shipment to Oshawa feasible. The expansion will require a capital investment of \$8.8 million and will create up to 120 net new jobs with an average weekly wage of \$440.

- EXECUTIVE COMMITTEE  
MATTHEW P. CULLEN  
Chair  
General Motors  
PHILIP H. POWER  
Vice-Chair  
HomeTown Communications  
Network  
RICHARD E. BLOUSE JR., CCE  
Detroit Regional Chamber  
JOHN W. BROWN  
Stryker Corporation  
DR. DAVID E. COLE  
Center for  
Automotive Research  
JOANN CRARY  
Saginaw Future Inc.  
DR. HAIFA FAKHOURI  
Arab American and Chaldean  
Council  
STEVEN K. HAMP  
The Henry Ford  
HAYDEN H. HARRIS  
EDF Ventures  
PAUL HILLEGONDS  
Detroit Renaissance  
DAVID HOLLISTER  
Michigan Department of  
Labor & Economic Growth  
GEORGE JACKSON JR.  
Detroit Economic Growth  
Corporation  
MICHAEL J. JANDERNOA  
Bridge Street Capital  
Partners, L.L.C.  
MAYOR ROBERT B. JONES  
City of Kalamazoo  
BIRGIT M. KLOHS  
The Right Place, Inc.  
DR. IRVIN D. REID  
Wayne State University  
RICHARD SHOEMAKER  
UAW International  
S. MARTIN TAYLOR  
DTE Energy Company  
GARY TORGOW  
Sterling Group  
PETER S. WALTERS  
Guardian Industries Corp.



Grupo Antolin Michigan, Inc.  
Briefing Memo  
October 19, 2004  
Page Two

**BENEFIT TO STATE:**

According to the economic analysis done by the Michigan Economic Development Corporation, utilizing Regional Economic Models, Inc. software, we estimate that this facility will create a total of 310 jobs in the state by the year 2015. We also estimate that the project would create total state government revenues through the year 2015, net of MEGA cost and adjusted for inflation, of \$10.5 million (2004 dollars) due to the location of this facility.

**BUT FOR:**

The company is also considering using an assembler and sequencer in Oshawa, Ontario. Using a contract sequencer would increase the company's labor costs, but would reduce their capital and ongoing transportation costs. The company estimates that operating costs would be up \$540,000 lower per year in Ontario.

**OTHER STATE AND LOCAL ASSISTANCE:**

The State of Michigan has offered a 50 percent abatement of the 6-mill State Education Tax for the term of the abatement offered by the City of Marlette. This abatement is valued at \$52,000.

The City of Marlette has proposed 50 percent abatement of the company's new real and personal property for 12 years. The estimated value of the local property tax abatement is \$400,000. The abatement is expected to be finalized on October 18, 2004.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent rural employment tax credit for 10 years, and a 100 percent rural business activity credit for three years for up to 120 net new employees.