



MEMORANDUM

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DATE: May 20, 2008
TO: Michigan Economic Growth Authority
FROM: Val Hoag, Director
Portfolio Management & Packaging
Amy Deprez, Program Manager
Portfolio Management & Packaging

SUBJECT: Briefing Memo – Marimba Auto LLC
Standard Credit

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ELIGIBLE BUSINESS:

Marimba Auto LLC
41133 Van Born Road, Suite 200
Belleville, Michigan 48111

HISTORY OF COMPANY:

Marimba Auto LLC, currently located in Belleville, imports tubular raw materials, semi-finished components and completed components from South Korea, China, India and other global locations. These products are then processed and repackaged to Tier 1 automotive suppliers. Marimba is a recognized tier 2 supplier with end customers being GM, Ford, Chrysler, Toyota, Honda and Nissan. Recently, Marimba has began quoting jobs directly for OEM's such as Ford and Chrysler.

Marimba's continuous R&D allows the company to design, develop and manufacture virtually any type of tubing components to satisfy its customers. Their proven experience in the ever changing auto world, demonstrates its dedication towards product quality and customer satisfaction. The company offers its customers globally sourced quality products, technology, cost leadership and real time customer responsiveness. Marimba Auto's philosophy is to provide its customers with a value added difference to compete in the global marketplace.

The company currently employ 13 full-time and 27 part-time employees at their location in Belleville.

PROJECT DESCRIPTION:

Marimba plans to supply a large power train component that will be directly shipped to one of the local OEM plants. In order to accommodate this expansion and current business, the company plans to build a new 130,000 square foot facility in Canton. The project will create 72 new jobs over the next three years that will pay an average weekly wage of \$759. Total investment related to this project is expected to be approximately \$16 million.

BENEFITS 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 create a total of 170 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 \$3.9 million (2008 dollars) due to the creation of these new jobs.

BUT FOR:

Alternatively, the company has considered various locations in the Southern region of the U.S. In particular, Lewisburg, Tennessee, has developed an aggressive incentive package that includes build-to-suit facility, with a lease to own purchase agreement, tax incentives and low interest revolving loans.

STATE AND OTHER LOCAL ASSISTANCE:

The City of Canton supports the Marimba Auto project and anticipates approval of a property tax abatement for 12 years under PA198 of 1974. Approval of the tax abatement is expected to take place within 60 days. The estimated value of this abatement is \$544,274.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for seven years, for up to 72 net new employees.