



MEMORANDUM

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER ASSISTANCE
517 373 9808

WWW.MICHIGAN.ORG

DATE: March 5, 2002
TO: Michigan Economic Growth Authority
FROM: James Donaldson, Vice President
Michigan Business Development
SUBJECT: Briefing Memo – R. L. Polk & Co.

EXECUTIVE COMMITTEE
GOVERNOR JOHN ENGLER

General Chair
DAVID A. BRANDON
Chair
Domino's Pizza L.L.C.
MATTHEW P. CULLEN

Vice Chair
General Motors
FACUNDO BRAVO
Uni Boring Co., Inc.
JOHN W. BROWN
Stryker Corporation

JOANN CRARY
Saginaw Future Inc.
C. BETH DUNCOMBE
Detroit Economic
Growth Corporation

HAYDEN H. HARRIS
EDF Ventures
DEWITT J. HENRY
Wayne County

PAUL HILLEGONDS
Detroit Renaissance
MICHAEL J. JANDERNOA
Perrigo Company

BIRGIT M. KLOHS
The Right Place Program
DAVID L. PORTEOUS
Porteous Law Office, P.C.
PHILIP H. POWER
HomeTown Communications
Network

DR. IRVIN D. REID
Wayne State University
S. MARTIN TAYLOR
DTE Energy Company

PETER S. WALTERS
Guardian Industries
Corporation

PRESIDENT & CEO
DOUG ROTHWELL

COMPANY NAME AND ADDRESS:


R. L. Polk & Co.
26955 Northwestern Highway
Southfield, Michigan 48034

HISTORY OF COMPANY:

R. L. Polk was founded in Detroit over 131 years ago by Ralph Lane Polk. The company began as a compiler of consumer and business information across cities and towns in the United States. Today, R.L. Polk is a premier provider of automotive information solution services to corporations worldwide. Polk delivers Automotive Intelligence solutions to customers through three core business groups: Polk North America, Polk International and Carfax. R.L. Polk remains a privately held company with approximately 1,400 employees worldwide, including 358 at their current Southfield office.

PROJECT DESCRIPTION:

R. L. Polk plans to consolidate the majority of the company's U.S. Data Operations, Information Services and Support and Production Teams in one physical location. Currently, these groups are split fairly evenly between Southfield and Cincinnati, Ohio. The proposed project would relocate individuals working in Cincinnati to the Southfield office, where the headquarters is also located. The company would add 300 jobs with an average weekly wage of \$944. Total capital investment for the project would be approximately \$5.5 million, including leasehold improvements, new furniture and fixtures and capitalized lease costs. In addition, the company will transfer to Michigan equipment valued at \$3 million. The alternative to the proposed project is to consolidate the



Briefing Memo
R.L. Polk & Co.
March 5, 2002
Page Two

operations in downtown Cincinnati, where the company owns a 10-story building.

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, we estimate this facility will generate a total of 383 jobs in the state by the year 2020. Total state government revenues through the year 2020, net of MEGA costs and adjusted for inflation, would be increased by \$29.9 million (2002 dollars) due to the presence of this facility.

BUT FOR:

The project will consolidate a substantial portion of the company's workforce in one location, Southfield or Cincinnati. A comparative analysis completed by the company estimated that operating costs will be approximately \$1.0 million less per year due to lower wages in Cincinnati. In addition, the company owns their building in Cincinnati, while the Michigan office space is leased. Therefore, the company will incur additional lease costs of approximately \$675,000 per year, while there would be no additional costs in Cincinnati.

OTHER STATE AND LOCAL ASSISTANCE:

The State of Michigan will provide an Economic Development Job Training grant of up to \$1,000 per job for the first 169 net new jobs, or up to \$169,000.

The City of Southfield has offered to reconstruct the intersection of Civic Center Drive and First Center Drive to allow for proper drainage and will patch Civic Center Drive from Lahser Road to Berg Road. The cost of this project is expected to be \$60,000, with work being completed in 2002. Oakland County has also extended a five-year foundation membership in Automation Alley to the company, with a value of \$75,000. In addition, the Southfield Area Chamber of Commerce will provide the company with free booth space at the 2002 Business Expo.



Briefing Memo
R.L. Polk & Co.
March 5, 2002
Page Three

RECOMMENDATION:

The Michigan Economic Development Corporation recommends an employment tax credit of 100 percent for up to 300 net new employees and a business activity credit of 100 percent, both for 19 years.