



## MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

# MEMORANDUM

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**Date:** October 27, 2009

**To:** Michigan Economic Growth Authority

**From:** Amy Deprez, Manager  
Packaging Team

Greg West, Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Strategic Staffing Solutions, L.C., a Florida limited liability company, a/k/a Strategic Staffing Solutions-S3, L.C.  
Standard MEGA Credit

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### COMPANY NAME

Strategic Staffing Solutions, L.C., a Florida limited liability company, a/k/a Strategic Staffing Solutions-S3, L.C.  
645 Griswold Street  
Detroit, Michigan 48226

### HISTORY OF COMPANY

Strategic Staffing Solutions, founded in 1990, is headquartered in Detroit and is one of Michigan's largest women-owned companies. Strategic Staffing Solutions is a provider of information technology consulting and staff augmentation, vendor management programs, customized project solutions, off/on shore services, and executive search services to customers throughout the U.S. and Europe. The company currently has 23 U.S. branches, two international offices and over 1,700 employees.

Strategic Staffing Solutions currently has 159 employees in Michigan.

### PROJECT DESCRIPTION

Strategic Staffing Solutions is considering opening a new Information Technology Development Center in the City of Detroit, Wayne County. Currently two sites within the City of Detroit are being considered, the 500 Tower of the GM Renaissance Center and 1400 Woodbridge, with a decision expected by the end of October. The center will employ information technology technical professionals such as application developers, systems analysts, application testing specialists, and other information technology support staff. The company believes that this project will have little to no impact on other Michigan businesses, as few Michigan businesses offer off-site IT development from centers located within the State.

Strategic Staffing Solutions will invest approximately \$7.3 million and create 437 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$860. 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 802 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$8.8 million (current dollars) due to the presence of this facility.

### **BUSINESS CASE**

Strategic Staffing Solutions is also considering Charlotte, North Carolina and an existing facility in Lithuania as alternative sites for this project, with the most likely alternative site being Charlotte, North Carolina. Higher labor costs and higher lease rates are the two primary factors that jeopardize this project locating in Michigan. If the project does not locate here, Michigan would not only lose out on the 437 new employees associated with the project, but on potential future expansions at the development center.

Michigan is able to ensure the project locates here by helping to mitigate the wage and lease rate disadvantages by utilizing the MEGA Tax Credit and providing additional local incentives.

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

Wayne County and the City of Detroit support the Strategic Staffing Solutions project. Currently two sites are being considered in Michigan, with both of them being within the City of Detroit, the 500 Tower of the GM Renaissance Center and 1400 Woodbridge.

If the project were to locate in the 500 Tower of the GM Renaissance Center, local support for the project would be provided through an existing Renaissance Zone, set to expire in 2017, and also through the availability of a Low-Interest Loan administered by the Detroit Economic Growth Corporation and the Downtown Development Authority.

If the project were to locate at 1400 Woodbridge, the project would be supported by a local real/personal property tax abatement and also through the availability of a Low-Interest Loan administered by the Detroit Economic Growth Corporation and the Downtown Development Authority.

### **RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent employment tax credit for five years for up to 437 net new employees in excess of the company's established base of 169.