



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: April 14, 2009

To: Michigan Economic Growth Authority

From: Amy Deprez, Packaging Team Manager
Portfolio Management & Packaging

Marcia Gebarowski, Project Specialist
Portfolio Management & Packaging

Subject: Briefing Memo – Transonic Combustion Inc.
High Technology MEGA Credit

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
ASSISTANCE CENTER
517 373 9808

WWW.THEMEDC.ORG

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COMPANY NAME

Transonic Combustion Inc.
461 Calle San Pablo
Camarillo, CA 93012

HISTORY OF COMPANY

Transonic Combustion, Inc. was incorporated in 2006 in California where the company is currently located. The company is involved in automotive research and development and has developed a fuel injection system that dramatically improves fuel efficiency in vehicles.

The company currently has 0 full-time employees in Michigan.

PROJECT DESCRIPTION

The company is considering locating a sales and technology center at a site yet to be determined in Oakland County. The proposed facility will assist in the advanced R&D and commercialization of their high efficiency fuel systems.

Transonic Combustion Inc. will invest approximately \$247,000 and create 25 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$2,802. 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 64 jobs in the state by the year 2014. Total state government revenues through the year 2014, net of MEGA costs, would be increased by \$1.2 million (current dollars) due to the presence of this facility.

BUSINESS CASE

Alternatively, this project would remain in California where the company's investors are located as well as the company's current headquarters and R&D center.

OTHER STATE AND LOCAL ASSISTANCE

There is currently no local support for this project. Oakland County will assist the company in selecting a site as well as providing up to \$10,000 in incumbent worker training funds.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY

The company is a qualified high-technology business, whose primary business activity is Advanced Automotive Manufacturing and Materials Technology, as defined in the Act.

RECOMMENDATION

Based on the factors described above, the Michigan Economic Development Corporation recommends an 80 percent high-technology employment tax credit for six years for up to 25 net new employees in excess of the company's established base of 0 subject to the following:

- The company selects a final site within 60 days of board approval.