



## MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

# MEMORANDUM

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**Date:** June 16, 2009

**To:** Michigan Economic Growth Authority

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

Marcia Gebarowski, Project Specialist  
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**Subject:** Briefing Memo – Alma Products I, Inc.  
Rural MEGA Credit

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### COMPANY NAME

Alma Products I, Inc.  
2000 Michigan Avenue  
Alma, Michigan 48801

### HISTORY OF COMPANY

Alma Products began remanufacturing clutch and disc assemblies for manual transmissions for Ford Motor Company in 1943. The company expanded their remanufacturing services to include various engine components, such as carburetors, starters, and alternators. In addition to remanufacturing services, Alma Products began producing original equipment clutch and disc assemblies in the 1950's. Currently, the company remanufactures automatic transmissions for the aftermarket.

Alma Products currently has 187 employees in Michigan.

### PROJECT DESCRIPTION

Alma Products will be relocating the remanufactured transmission operation from ETX Transmissions, Inc. in Illinois to their location in the City of Alma, Gratiot County. In order to allow for this relocation, Alma Products will be expanding their current location in Alma.

Alma Products will invest approximately \$1.9 million, primarily in machinery and equipment, and create 76 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$648. 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 158 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$3.3 million (current dollars) due to the presence of this facility.

**BUSINESS CASE**

Alma Products is also considering Tennessee and Illinois for this project. State and local taxes are lower in these locations making it a disadvantage for the company to relocate this business to the Alma facility. The company also indicated wage rates are lower in both Tennessee and Illinois.

**OTHER STATE AND LOCAL ASSISTANCE**

The City of Alma is supportive of this project and anticipates approval of a PA 198. The estimated value of this incentive is not known at this time.

**QUALIFYING RURAL MEGA**

This project qualifies as a rural MEGA as the project is located in Gratiot County with a population of 90,000 or less, as defined in the Act.

**RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 90 percent rural employment tax credit for 7 years for up to 76 net new employees in excess of the company's established base of 187.