



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

DATE: March 15, 2005
TO: Michigan Economic Growth Authority
FROM: James Donaldson, Vice President
Business Development
SUBJECT: Briefing Memo – Assay Designs, Inc.
High Technology Credit

COMPANY NAME AND ADDRESS:

Assay Designs, Inc.
800 Technology Drive
Ann Arbor, Michigan 48108

HISTORY OF COMPANY:

Assay Designs, Inc. (ADI) was incorporated in 1992 in Georgia. The company moved to University of Michigan incubator space in Ann Arbor in 1994, and then moved to Pittsfield Township in 2000, where they currently employ 54 full time workers. ADI received their fifth Fast Track Award from the Washtenaw Development Council in 2004. ADI designs, manufactures and markets nearly 150 unique, specialized research immunoassay and detection kits, and over 400 recombinant proteins, antibodies and luminescent reagents. These products are used by pharmaceutical companies to develop new drugs, and by researchers in universities and other organizations to investigate basic mechanisms of disease.

PROJECT DESCRIPTION:

The company is considering construction of a new, 45,000 square foot building in Pittsfield Township that will house office and laboratory/production space. The company intends to pursue LEED certification through the United State Green Building Council (there are currently just 6 certified projects in the State of Michigan) for this building. The company anticipates capital investment of \$18 million, resulting in the creation of up to 86 new full time jobs paying an average weekly wage of \$829.

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BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation, utilizing Regional Economic Models, Inc. software, we estimate that this facility will create a total of 238 jobs in the state by the year 2013. We also estimate that the project would create total state government revenues through the year 2013, net of MEGA cost and adjusted for inflation, of \$4.8 million (2005 dollars) due to the location of this facility.

BUSINESS CASE:

The company is also considering a location in Perrysburg, Ohio for their new facility. The Ohio Department of Development offered the company a generous incentive package for this facility. These incentives, and lower wages in the Toledo area, would save the company approximately \$250,000 per year if an Ohio location were chosen.

OTHER STATE AND LOCAL ASSISTANCE:

Pittsfield Township has approved 50 percent abatement of the company's taxes on new real property for 8 years and 50 percent abatement of the company's taxes on new personal property for 2 years. The estimated value of the local property tax abatement is \$632,000.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 50 percent high technology employment tax credit for 4 years, followed by a 100 percent high technology employment tax credit for 4 years for up to 86 net new employees.