



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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Date: June 16, 2009

To: Michigan Economic Growth Authority

From: Amy Deprez, Manager
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Subject: Briefing Memo – Axiobionics, LLC
High-Technology MEGA Credit

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COMPANY NAME

Axiobionics, LLC
3055 Templeton Road
Columbus, Ohio 43209

HISTORY OF COMPANY

Axiobionics develops and markets wearable medical devices for pain control and neuro rehabilitation. The company specializes in the design of custom-made electrical stimulation technology and orthotic and prosthetic devices. They are expanding their resources to meet the growing need for improved outcome of medical conditions that, when not managed effectively, can lead to years of suffering, loss of function and job loss, as well as high medical costs for drugs and other prescribed therapies.

Axiobionics does not currently have any employees in Michigan.

PROJECT DESCRIPTION

Axiobionics is entering a new phase of growth that requires broader skill sets, new operating and manufacturing methods, as well as electronics and software development of in-house or collaboratively owned electronics products in order to address newly emerging applications for the current technology. This growth will also address the increasing need to serve current indications, such as traumatic brain injury and other neuro rehab of military patients. The company would like to relocate where the talent pool for bioengineering and medicine are the greatest and are considering Scio Township, Washtenaw County for this location.

Axiobionics will invest approximately \$2.9 million and create 108 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$915. 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 614 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$11.6 million (current dollars) due to the presence of this facility.

BUSINESS CASE

Axiobionics is also considering locations in Arizona, Washington, North Carolina, and Ohio for this project. The company indicated Michigan's current disadvantages are primarily labor, tax and facilities when compared with those of the other locations.

OTHER STATE AND LOCAL ASSISTANCE

Scio Township is supportive of this project and anticipates approval of a property tax abatement. The value of this incentive is not known at this time.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY

The company is a qualified high-technology business, whose primary business activity is Medical Device Technology, as defined in the Act.

RECOMMENDATION

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for seven years for up to 108 net new employees in excess of the company's established base of zero.