

MEMORANDUM

Date: January 19, 2010

To: Michigan Economic Growth Authority

From: Amy Deprez, Manager
Packaging Team

Marcia Gebarowski, Project Specialist
Packaging Team

Subject: Briefing Memo – BioDri Michigan, LLC
High-Technology MEGA Credit

COMPANY NAME

BioDri Michigan, LLC
324 Sherman St.
Blissfield, MI 49228

HISTORY OF COMPANY

BioDri Michigan, LLC is a wholly owned subsidiary of BioDri, LLC located in Orlando, Florida. The company has created a machine that utilizes a new thermodynamic cycle that can effectively and efficiently clean, convert or remove:

- Algae and soybeans to renewable energy bio-fuel feedstock
- Brown grease-trap greases to renewable energy bio-fuel feedstock
- Mega-farm sewage ponds to dry solids and usable water
- Biohazards and/or contamination from water
- Saltwater and/or brackish water into drinking water

This machine is portable, uses less energy, and has fewer components than older technologies thus making it more cost efficient and capable of being purchased and used by a broader customer base.

BioDri currently does not have any employees in Michigan.

PROJECT DESCRIPTION

BioDri Michigan, LLC is currently working with a vendor to engineer the manufacturing process for their product. The company also currently performs product research and development at their facility in Florida. BioDri is proposing to locate a research and development center, business development offices and a repair and maintenance training center in the Village of Blissfield in Lenewee County. These operations will be the first for the company in Michigan.

BioDri Michigan, LLC will invest approximately \$39.5 million and create 337 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$899. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

There are not any other Michigan businesses known in the same industry.

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 _____ jobs in the state by the year 20____. Total state government revenues through the year 20____, net of MEGA costs, would be increased by \$_____ (current dollars) due to the presence of this facility.

BUSINESS CASE

The majority of the shareholders as well as the inventor of the BioDri technology are located in Florida. BioDri Michigan must convince its parent company that the project is economically feasible in Michigan versus Florida where current operations are located.

OTHER STATE AND LOCAL ASSISTANCE

The Village of Blissfield is supportive of this project and anticipates the approval of a 12 year PA 198 abatement valued at approximately \$389,000.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY

The company is a qualified high-technology business, whose primary business activity is Engineering or Laboratory Testing, as defined in the Act.

The company has certified that at least 10 percent of its total operating expenses are related to research and development.

RECOMMENDATION

Based on the factors described above, the Michigan Economic Development Corporation recommends a 200 percent high-technology employment tax credit for three years and a 100 percent high-technology employment tax credit for two years for up to 337 net new employees in excess of the company's established base of 0.