

300 N. WASHINGTON SQ.  
LANSING, MI 48913

517.373.9808

MICHIGANADVANTAGE.ORG



**EXECUTIVE COMMITTEE**

MATTHEW P. CULLEN  
Chair  
Rock Enterprises

PHILIP H. POWER  
Vice-Chair  
The Center for Michigan

D. GREGORY MAIN  
President and CEO

JOHN W. BROWN  
Stryker Corporation

DR. DAVID E. COLE  
Center for  
Automotive Research

JOANN CRARY  
Saginaw Future Inc.

DR. HAIFA FAKHOURI  
Arab American and  
Chaldean Council

STEVEN K. HAMP  
Hamp Advisors, LLC

PAUL HILLEGONDS  
DTE Energy Company

GEORGE W. JACKSON JR.  
Detroit Economic  
Growth Corporation

BIRGIT M. KLOHS  
The Right Place, Inc.

F. THOMAS LEWAND  
Bodman LLP

STEVEN LIEDEL  
Office of  
Governor Jennifer Granholm

JEFF METTS  
Dowding Industries, Inc.

DR. IRVIN D. REID  
Wayne State University

SANFORD "SANDY" RING  
Hino Motors  
Manufacturing U.S.A., Inc.

MICHAEL B. STAEBLER  
Pepper Hamilton LLP

TODD A. WYETT  
Versa Development, LLC

## MEMORANDUM

**Date:** November 17, 2010

**To:** Michigan Economic Growth Authority

**From:** Joshua Hundt, Senior Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Bright Automotive, Inc.  
High Technology MEGA Credit

### COMPANY NAME

Bright Automotive, Inc.  
2701 Enterprise Drive  
Anderson, Indiana 46013

### HISTORY OF COMPANY

Bright Automotive, Inc. (Bright) was formed as a stand-alone company in January 2008 from the Rocky Mountain Institute in Colorado. The company was formed through a consortium of organizations including Alcoa, Duke Energy, Google, Johnson Controls, and the Turner Foundation. Bright has developed a 100+ mile per gallon plug-in hybrid electric vehicle called IDEA.

Bright has applied for a direct loan under Section 136 of the Advanced Technology Vehicle Manufacturing Loan Program with the United States Department of Energy. The loan will be used for the continued design, development, and manufacture of plug-in hybrid electric vehicles.

The company does not currently have any operations in Michigan.

### PROJECT DESCRIPTION

The company is proposing a total relocation of their headquarters to a facility in the City of Rochester Hills, Oakland County. This facility would also serve as their primary location for research, design, and development of energy efficient vehicles and vehicle technologies.

The company plans to invest approximately \$11 million and create 204 jobs over the next five years, with 111 jobs projected in year 1, as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$1,511. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

The effect on other Michigan businesses in the same industry was taken into consideration when recommending the amount and length of this tax credit.

### **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 530 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$6.9 (current dollars) due to the presence of this facility.

### **BUSINESS CASE**

The company is currently based in Anderson, Indiana and has considered remaining at its current location. The company has also considered locating this project in Greenville, South Carolina. Both of these options offer tax advantages to Bright. The MEGA Tax Credit will help offset these disadvantages of locating in Michigan.

### **OTHER STATE AND LOCAL ASSISTANCE**

The City of Rochester Hills is supportive of this project and is supportive of a property tax abatement under PA 198 of 1974 or PA 328 of 1998, at the company's discretion. The potential value of these abatements is not known at this time.

### **QUALIFYING HIGH-TECHNOLOGY ACTIVITY**

The company is a qualified high-technology business, whose primary business activity is Advanced Vehicles Technology, 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 100 percent high-technology employment tax credit for five years for up to 204 net new employees in excess of the company's established base of 0.