



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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MEMORANDUM

DATE: August 19, 2008
TO: Michigan Economic Growth Authority
FROM: Val Hoag, Director
Portfolio Management & Packaging
Joshua Hundt, Project Specialist
Portfolio Management & Packaging

SUBJECT: Briefing Memo – Business Intelligence Associates, Inc.
Standard MEGA Credit

COMPANY NAME AND ADDRESS:

Business Intelligence Associates, Inc.
39 Broadway, 26th Floor
New York, New York 10006

HISTORY OF COMPANY:

Business Intelligence Associates, Inc. (BIA), founded in 2002, creates and implements processes for organizations to help manage the collection, transfer, and preservation of data that may be required for regulatory compliance and litigation. BIA offers critical services related to the correct methods for gathering information from globally spread enterprise IT resources without interrupting business. BIA then catalogs that information for preservation and certified use as digital evidence for internal investigations, compliance, and litigation.

BIA currently does not have any operations in Michigan.

PROJECT DESCRIPTION:

The proposed project will bring legal document review services, back office functions (including human resources and accounting), data housing services, computer forensic services, data process services, and software engineering jobs to a new location for the company in downtown Kalamazoo in Kalamazoo County.

This project will result in the creation of 82 new jobs in year one and 251 new jobs over the next five years with an average weekly wage of \$933. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The overall capital investment for this project is approximately \$8 million.

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 599 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs and adjusted for inflation, would be increased by \$8.25 million (2008 dollars) due to the presence of this expansion.

BUSINESS CASE:

BIA looked at competing sites in New York, San Francisco, Seattle, and Wheeling, West Virginia for this project. The company has existing office space at its current locations in New York, San Francisco, and Seattle. Utilizing these sites would avoid considerable additional equipment, build out, and real estate expenses. The other site under consideration was Wheeling, West Virginia. The primary factors favoring West Virginia over Michigan were lower salary and office costs.

STATE AND LOCAL ASSISTANCE:

The City of Kalamazoo is supporting this project for BIA and will assist with recruitment and job placement, as well as classroom and on-the-job training funds.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation Recommends a 100 percent standard employment tax credit for seven years, for up to 251 new jobs.