



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

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**Date:** May 19, 2009  
**To:** Michigan Economic Growth Authority  
**From:** Amy Deprez, Manager  
Packaging Team  
Marcia Gebarowski, Project Specialist  
Packaging Team  
**Subject:** Briefing Memo – CAS-MI Laboratories, LLC  
High-Technology MEGA Credit

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**COMPANY NAME**

CAS-MI Laboratories, LLC  
430 West Forest Avenue  
Ypsilanti, MI 48197

**HISTORY OF COMPANY**

CAS-MI Laboratories, LLC was purchased in 2004, as a wholly-owned subsidiary of Chemir Analytical Services, Inc., which is located in St. Louis, MO. CAS-MI is a contract research, product development and testing center. The company solves problems for paint, coating, adhesive and polymer industries by providing independent laboratory testing and chemical analysis. Services they provide include: deformulation (reverse engineering), failure analysis, contamination identification, and material identification.

CAS-MI currently has 8 employees in Michigan.

**PROJECT DESCRIPTION**

The company is in a position to expand their business services to include regulatory consulting, expert witness and "blue sky" research and development. Their current facility, located on the campus of Eastern Michigan University, is too small to be considered for this expansion. A site in nearby Ypsilanti Township has been selected for this expansion.

CAS-MI will invest approximately \$3.6 million and create 60 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,072. 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 124 jobs in the state by the year 2019. Total state government revenues through the year 2019, net of MEGA costs, would be increased by \$4.5 million (current dollars) due to the presence of this facility.

**BUSINESS CASE**

Alternatively, this project will locate in St. Louis, Missouri where the company's parent, Analytics, Inc., is headquartered. This project could also locate in Boston, MA, where the company's largest customer base is located in and where the company has only a small operation in the region.

**OTHER STATE AND LOCAL ASSISTANCE**

Ypsilanti Township will support the project with a property tax abatement to be approved within the next 90 days. The value of the abatement is not known at this time.

**QUALIFYING HIGH-TECHNOLOGY ACTIVITY**

The company is a qualified high-technology business, whose primary business activity is Product Research and Development, as defined in the Act.

**RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 70 percent high-technology employment tax credit for 10 years for up to 60 net new employees in excess of the company's established base of eight.